

Why lies He in such mean estate—
Will you gift-wrap this, please?
Where ox and ass are feeding—
I need some more stamps.
Good Christmas, fears for sinners here—
I suppose she'll expect a present from me.
The silent word is pleading—
I can't afford much; I'm broke.

So bring Him incense, gold, and myrrh—
Artificial trees are more practical.
Come peasant, king, to own Him—
I gave at the office.
This, this is Christ the King—
These cards must have cost a lot.
Whom shepherds guard and angels sing—
I've finally got my cards mailed.

Haste, haste to bring Him laud—
The turkey won't fit in the oven.
The Babe, the Son of Mary . . .
There's a song in the air—
Can you hear it?
There's a star in the sky—
Can you see it?

HOUSE OF REPRESENTATIVES—Thursday, January 20, 1972

The House met at 12 o'clock noon.
The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Blessed is the nation whose God is the Lord.—Psalm 33: 12.

God of peace and power, Maker and Ruler of men, we commend our country to Thee praying that we and all our people may walk in the way of Thy wisdom and be led by the light of Thy love. May all who govern do so in honesty of spirit and with uprightness of heart. Keep them ever awake to the appeal of truth and justice and have the courage to place patriotism above party and the good of all above the good of the few.

Bless our President as he speaks to us today. May he inspire us to be courageous and compassionate as we seek to meet the needs of our Nation and our world. Keep ever before us all a vision of the truth and a deep sense of the demands of righteousness that our country may be guided by wise principles and be lifted to higher ideals and nobler achievements.

In the spirit of Him whose life is the light of men we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

RECESS

The SPEAKER. The Chair declares a recess subject to the call of the Chair.

Accordingly (at 12 o'clock and 1 minute p.m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock and 16 minutes p.m.

JOINT SESSION OF THE HOUSE AND SENATE HELD PURSUANT TO THE PROVISIONS OF HOUSE CONCURRENT RESOLUTION 499 TO HEAR AN ADDRESS BY THE PRESIDENT OF THE UNITED STATES

The SPEAKER of the House presided.

The Doorkeeper, the Honorable William M. Miller, announced the Vice President and Members of the U.S. Senate

who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and Members of the Senate the seats reserved for them.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to escort the President of the United States into the Chamber the gentleman from Louisiana, Mr. Boggs; the gentleman from Massachusetts, Mr. O'NEILL; the gentleman from Texas, Mr. TEAGUE; the gentleman from Michigan, Mr. GERALD R. FORD; and the gentleman from Illinois, Mr. ARENDT.

The VICE PRESIDENT. Pursuant to the order of the Senate, the following Senators are appointed to escort the President of the United States into the Chamber: the Senator from Louisiana, Mr. ELLENDER; the Senator from Montana, Mr. MANSFIELD; the Senator from West Virginia, Mr. BYRD; the Senator from Arkansas, Mr. MCCLELLAN; the Senator from Pennsylvania, Mr. SCOTT; the Senator from Michigan, Mr. GRIFFIN; the Senator from Maine, Mrs. SMITH; and the Senator from Vermont, Mr. AIKEN.

The Doorkeeper announced the ambassadors, ministers, and chargés d'affaires of foreign governments.

The ambassadors, ministers, and chargés d'affaires of foreign governments entered the Hall of the House of Representatives and took the seats reserved for them.

The Doorkeeper announced the Chief Justice of the United States and the Associate Justices of the Supreme Court.

The Chief Justice of the United States and the Associate Justices of the Supreme Court entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

The Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 12 o'clock and 30 minutes p.m., the Doorkeeper announced the President of the United States.

The President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk.

[Applause, the Members rising.]

The SPEAKER. My colleagues of the Congress, I have the distinct privilege and the high personal honor of presenting to you the President of the United States.

[Applause, the Members rising.]

THE STATE OF THE UNION—ADDRESS BY THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 92-201)

The PRESIDENT. Mr. Speaker, Mr. President, my colleagues in the Congress, our distinguished guests and my fellow Americans:

Twenty-five years ago I sat here as a freshman Congressman—along with Speaker ALBERT—and listened for the first time to the President address the State of the Union.

I shall never forget that moment. The Senate, the diplomatic corps, the Supreme Court, the Cabinet entered the Chamber, and then the President of the United States. As all of you are aware, I had some differences with President Truman; he had some with me. But I remember that on that day, the day he addressed that joint session of the newly elected Republican 80th Congress, he spoke not as a partisan but as President of all the people—calling upon the Congress to put aside partisan considerations in the national interest.

The Greek-Turkish aid program, the Marshall plan, the great foreign policy initiatives which have been responsible for avoiding a world war for over 25 years were approved by the 80th Congress, by a bipartisan majority of which I was proud to be a part.

Nineteen hundred seventy-two is now before us. It holds precious time in which to accomplish good for the Nation. We must not waste it. I know the political pressures in this session of the Congress will be great. There are more candidates for the Presidency in this Chamber today than there probably have been at any one time in the whole history of the Republic. And there is an honest difference of opinion, not only between the parties but within each party on some foreign policy issues and on some domestic policy issues.

However, there are great national problems that are so vital that they transcend partisanship. So let us have our debates. Let us have our honest differences. But let us join in keeping the national interest first. Let us join in making sure that legislation the Nation needs does not become hostage to the political interests of any party or any person.

There is ample precedent, in this election year, for me to present you with a huge list of new proposals, knowing full well that there would not be any possibility of your passing them if you worked night and day.

I shall not do that.

I have presented to the leaders of the

Congress today a message of 15,000 words discussing in some detail where the Nation stands and setting forth specific legislative items on which I ask the Congress to act. Much of this is legislation which I proposed in 1969 and in 1970, and also in the first session of this 92d Congress, and on which I feel it is essential that action be completed this year.

I am not presenting proposals which have attractive labels but no hope of passage. I am presenting only vital programs which are within the capacity of this Congress to enact, within the capacity of the budget to finance, and which I believe should be above partisanship—programs which deal with urgent priorities for the Nation, which should and must be the subject of bipartisan action by this Congress in the interests of the country in 1972.

When I took the oath of office on the steps of this building just 3 years ago today, the Nation was ending one of the most tortured decades in its history.

The 1960's were a time of great progress in many areas. But as we all know, they were also times of great agony—the agonies of war, of inflation, of rapidly rising crime, of deteriorating cities—of hopes raised and disappointed, and of anger and frustration that led finally to violence, and to the worst civil disorder in a century.

I recall these troubles not to point any fingers of blame. The Nation was so torn in those final years of the sixties that many in both parties questioned whether America could be governed at all.

The Nation has made significant progress in these first years of the seventies.

Our cities are no longer engulfed by civil disorders.

Our colleges and universities have again become places of learning instead of battlegrounds.

A beginning has been made on preserving and protecting our environment.

The rate of increase in crime has been slowed—and here in the District of Columbia, the one city where the Federal Government has direct jurisdiction, serious crime in 1971 was actually reduced by 13 percent from the year before.

Most important, because of the beginnings that have been made, we can say today that this year, 1972, can be the year in which America may make the greatest progress in 25 years toward achieving our goal of being at peace with all the nations of the world.

As our involvement in the war in Vietnam comes to an end, we must now go on to build a generation of peace.

To achieve that goal, we must first face realistically the need to maintain our defenses.

In the past 3 years, we have reduced the burden of arms. For the first time in 20 years, spending on defense has been brought below spending on human resources.

As we look to the future, we find encouraging progress in our negotiations with the Soviet Union on limitation of strategic arms. And looking further into the future, we hope there can eventually be agreement on the mutual reduction of arms. But until there is such a mutual

agreement we must maintain the strength necessary to deter war.

And that is why, because of rising research and development costs, because of increases in military and civilian pay, because of the need to proceed with new weapons systems, my budget for the coming fiscal year will provide for an increase in defense spending.

Strong military defenses are not the enemy of peace. They are the guardians of peace.

There could be no more misguided set of priorities than one which would tempt others by weakening America, and thereby endanger the peace of the world.

In our foreign policies, we have entered a new era. The world has changed greatly in the 11 years since President John F. Kennedy said, in his inaugural address, "We shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, to assure the survival and the success of liberty."

Our policy has been carefully and deliberately adjusted to meet the new realities of the new world we live in.

We make today only those commitments we are able and prepared to meet.

Our commitment to freedom remains strong and unshakable. But others must bear their share of the burden of defending freedom around the world.

And so this, then, is our policy:

We will maintain a nuclear deterrent adequate to meet any threat to the security of the United States or of our allies.

We will help other nations develop the capability of defending themselves.

We will faithfully honor all of our treaty commitments.

We will act to defend our interests whenever and wherever they are threatened any place in the world.

But where our interests or our treaty commitments are not involved our role will be limited.

We will not intervene militarily.

But we will use our influence to prevent war. If war comes we will use our influence to stop it.

And once it is over we will do our share in helping to bind up the wounds of those who have participated in it.

As you know, I will soon be visiting the Peoples Republic of China and the Soviet Union. I go there with no illusions. We have great differences with both powers. We will continue to have great differences. But peace depends on the ability of great powers to live together on the same planet despite their differences. We would not be true to our obligation to generations yet unborn if we failed to seize this moment to do everything in our power to insure that we will be able to talk about these differences rather than to fight about them in the future.

As we look back over this century let us in the highest spirit of bipartisanship recognize that we can be proud of our Nation's record in foreign affairs.

America has given more generously of itself toward maintaining freedom, preserving peace and alleviating human suffering around the globe than any nation has ever done in the history of man.

We have fought four wars in this century, but our power has never been used

to break the peace, only to keep it; never been used to destroy freedom, only to defend it. We now have within our reach the goal of ensuring that the next generation can be the first generation in this century to be spared the scourges of war.

Turning to our problems at home, we are making progress toward our goal of a new prosperity without war.

Industrial production, consumer spending, retail sales and personal income all have been rising. Total employment and real income are the highest in history. New homebuilding starts this past year reached the highest level ever. Business and consumer confidence have both been rising. Interest rates are down, and the rate of inflation is down. We can look with confidence to 1972 as the year when the back of inflation will be broken.

Now, this is a good record, but it is not good enough—not when we still have an unemployment rate of 6 percent.

It is not enough to point out that this was the rate of the early, peacetime years of the 1960's, or that, if the more than 2 million men released from the Armed Forces and defense-related industries were still on their wartime jobs, unemployment would be far lower.

Our goal in this country is full employment in peacetime—and we intend to meet that goal—and we can.

The Congress has helped to meet that goal by passing our job-creating tax program last month.

The historic monetary agreements we have reached with the major European nations, Canada and Japan will help meet it, by providing new markets for American products—new jobs for American workers.

Our budget will help meet it, by being expansionary without being inflationary—a job-producing budget that will help take up the gap as the economy expands to full employment.

Our program to raise farm income will help meet it, by helping to revitalize rural America—by giving to American farmers their fair share of America's increasing productivity.

We also will help meet our goal of full employment in peacetime with a set of major initiatives to stimulate more imaginative use of America's great capacity for technological advance, and to direct it toward improving the quality of life for every American.

In reaching the moon, we demonstrated what miracles American technology is capable of achieving. Now the time has come to move more deliberately toward making full use of that technology here on earth, in harnessing the wonders of science to the service of man.

I shall soon send to the Congress a special message proposing a new program of Federal partnership in technological research and development—with Federal incentives to increase private research, and federally supported research on projects designed to improve our everyday lives in ways that will range from improving mass transit to developing new systems of emergency health care that could save thousands of lives annually.

Historically, our superior technology

and high productivity have made it possible for America's workers to be the most highly paid in the world by far, and yet for our goods still to compete in world markets.

Now we face a new situation. As other nations are moving rapidly forward in technology, the answer to the new competition is not to build a wall around America, but rather to remain competitive by improving our own technology still further, and by increasing productivity in American industry.

Our new monetary and trade agreements will make it possible for American goods to compete fairly in the world's markets—but they still must compete. The new technology program will put to use the skills of many highly trained Americans—skills that might otherwise be wasted. It will also meet the growing technological challenge from abroad, and it will thus help to create new industries as well as creating more jobs for America's workers in producing for the world's markets.

This second session of the 92d Congress already has before it more than 90 major administration proposals which still await action.

I have discussed these in the extensive written message that I have presented to the Congress today.

They include among others our programs to improve life for the aging; to combat crime and drug abuse; to improve health services and to ensure that no one will be denied needed health care because of inability to pay; to protect workers' pension rights; to promote equal opportunity for members of minorities and others who have been left behind; to expand consumer protection; to improve the environment; to revitalize rural America; to help the cities; to launch new initiatives in education; to improve transportation, and to put an end to costly labor tieups in transportation.

The west coast dock strike is a case in point. This Nation cannot and will not tolerate that kind of irresponsible labor tieup in the future.

The messages also include basic reforms which are essential if our structure of government is to be adequate to the needs in the decades ahead.

They include reform of our wasteful and outmoded welfare system—and substitution of a new system that provides work requirements and work incentives for those who can help themselves, income support for those who cannot help themselves, and fairness for the working poor.

They include a \$17.6 billion program of Federal revenue sharing with the States and localities—as an investment in their renewal, and an investment also of faith in the American people.

They also include a sweeping reorganization of the executive branch of the Federal Government, so that it will be more efficient, more responsive, and able to meet the challenges of the decades ahead.

One year ago, standing in this place, I laid before the opening session of this Congress six great goals.

One of these was welfare reform. That proposal has been before the Congress now for nearly two and a half years.

My proposals on revenue sharing, government reorganization, health care, and the environment have now been before the Congress for nearly a year. Many of the other major proposals that I have referred to have been here that long or longer.

Now, 1971, we can say, was a year of consideration of these measures. Now let us join in making 1972 a year of action on them—action by the Congress, for the Nation and for the people of America.

In addition, there is one pressing need which I have not previously covered, but which must be placed on the national agenda.

We long have looked in this Nation to the local property tax as the main source of financing for public primary and secondary education.

As a result, soaring school costs and soaring property tax rates now threaten both our communities and our schools. They threaten communities because property taxes—which more than doubled in the 10 years from 1960 to 1970—have become one of the most oppressive and discriminatory of all taxes, hitting most cruelly at the elderly and the retired; and they threaten schools, as hard-pressed voters understandably reject new bond issues at the polls.

The problem has been given even greater urgency by four recent court decisions, which have held the conventional method of financing schools through local property taxes is discriminatory and unconstitutional.

Nearly 2 years ago, I named a special Presidential Commission to study the problems of school finance, and I also directed the Federal departments to look into the same problems. We are developing comprehensive proposals to meet these problems.

This issue involves two complex and interrelated sets of problems: Support of the schools, and the basic relationships of Federal, State, and local governments in any tax reforms.

Under the leadership of the Secretary of the Treasury, we are carefully reviewing all the tax aspects; and I have this week enlisted the Advisory Commission on Intergovernmental Relations in addressing the intergovernmental relations aspects.

I have asked this bipartisan Commission to review our proposals for Federal action to cope with the gathering crisis of school finance and property taxes. Later in the year, when both Commissions have completed their studies, I shall make my final recommendations for relieving the burden of property taxes and providing both fair and adequate financing for our children's education.

These recommendations will be revolutionary, but all these recommendations, however, will be rooted in one fundamental principle with which there can be no compromise: local school boards must have control over local schools.

As we look ahead over the coming decades, vast new growth and changes are not only certainties, they will be the dominant realities of this world and particularly of our life in America.

Surveying the certainty of rapid change, we can be like a fallen rider caught in the stirrups—or we can sit

high in the saddle, the masters of change, directing it on a course that we choose.

The secret of mastering change in today's world is to reach back to old and proven principles, and to adapt them, with imagination and intelligence, to the new realities of a new age.

And that is what we have done in the proposals that I have laid before the Congress. They are rooted in basic principles that are as enduring as human nature, as robust as the American experience; and they are responsive to new conditions. Thus they represent a spirit of change that is truly renewal.

As we look back at these old principles, we find them as timely as they are timeless.

We believe in independence, and self-reliance, and the creative value of the competitive spirit.

We believe in full and equal opportunity for all Americans, and in the protection of individual rights and liberties.

We believe in the family as the keystone of the community, and in the community as the keystone of the Nation.

We believe in compassion for those in need.

We believe in a system of law, justice, and order as the basis of a genuinely free society.

We believe that a person should get what he works for—and that those who can should work for what they get.

We believe in the capacity of people to make their own decisions, in their own lives and their own communities—and we believe in their right to make those decisions.

In applying these principles, we have done so with a full understanding that what we seek in the seventies, what our quest is, is not merely for more, but for better—for a better quality of life for all Americans.

Thus, for example, we are giving a new measure of attention to cleaning up our air and water, making our surroundings more attractive. We are providing broader support for the arts, and helping stimulate a deeper appreciation of what they can contribute to the Nation's activities and to our individual lives.

But nothing really matters more to the quality of our lives than the way we treat one another—than our capacity to live respectfully together as a unified society, with a full and generous regard for the rights of others and also for the feelings of others.

As we recover from the turmoil and violence of recent years, as we learn once again to speak with one another instead of shouting at one another, we are regaining that capacity.

As is customary here, on this occasion, I have been talking about programs. Programs are important. But even more important than programs is what we are as a nation—what we mean as a nation, to ourselves and to the world.

In New York Harbor stands one of the most famous statues in the world—the Statue of Liberty, the gift in 1886 of the people of France to the people of the United States. This statue is more than a landmark; it is a symbol—a symbol of what America has meant to the world.

It reminds us that what America has meant is not its wealth and not its power,

but its spirit and purpose—a land that enshrines liberty and opportunity, and that it has held out a hand of welcome to millions in search of a better and a fuller and above all, a freer life.

The world's hopes poured into America, along with its people—and those hopes, those dreams, that have been brought here from every corner of the world, have become a part of the hope that we now hold out to the world.

Four years from now, America will celebrate the 200th anniversary of its founding as a nation.

And there are those who say that the old Spirit of '76 is dead—that we no longer have the strength of character, the idealism, and the faith in our founding purposes, that that spirit represents.

But those who say this do now know America.

We have been undergoing self-doubts and self-criticism. But these are only the other side of our growing sensitivity to the persistence of want in the midst of plenty, and our impatience with the slowness with which age-old ills are being overcome.

If we were indifferent to the shortcomings of our society, or complacent about our institutions, or blind to the lingering inequities—then we would have lost our way.

But the fact that we have those concerns is evidence that our ideals deep down are still strong. Indeed, they remind us that what is really best about America is its compassion. They remind us that in the final analysis America is great, not because it is strong, not because it is rich, but because this is a good country.

Let us reject the narrow visions of those who would tell us that we are evil because we are not yet perfect; that we are corrupt because we are not yet pure; that all the sweat and toil and sacrifice that have gone into the building of America were for naught because the building is not yet done.

Let us see that the path we are traveling is wide, with room in it for all of us, and that its direction is toward a better nation in a more peaceful world.

Never has it mattered more that we go forward together.

Look at this Chamber. The leadership of America is here today—the Supreme Court, the Cabinet, the Senate, the House of Representatives.

Together we hold the future of the nation, and the conscience of the nation, in our hands.

Because this year is an election year, it will be a time of great pressure.

If we yield to that pressure, and fail to deal seriously with the historic challenges that we face, then we will have failed the trust of millions of Americans, and shaken the confidence they have a right to place in us, in their government.

Never has a Congress had a greater opportunity to leave a legacy of profound and constructive reform for the nation than this Congress.

If we succeed in these tasks, there will be credit enough for all—not only for doing what is right, but doing it in the right way, by rising above partisan interest to serve the national interest.

If we fail, more than any one of us, America will be the loser.

That is why my call upon the Congress today is for a high statesmanship—so that in the years to come Americans will look back and say that because it withstood the intense pressures of a political year, and achieved such great good for the American people, and for the future of this Nation—this was truly a great Congress.

[Applause, the Members rising.]

The state of the Union message, referred to by the President, and submitted to the Congress, is, in its official text, as follows:

To the Congress of the United States:

It was just 3 years ago today that I took the oath of office as President. I opened my address that day by suggesting that some moments in history stand out "as moments of beginning," when "courses are set that shape decades or centuries." I went on to say that "this can be such a moment."

Looking back 3 years later, I would suggest that it was such a moment—a time in which new courses were set on which we now are traveling. Just how profoundly these new courses will shape our decade or our century is still an unanswered question, however, as we enter the fourth year of this administration. For moments of beginning will mean very little in history unless we also have the determination to follow up on those beginnings.

Setting the course is not enough. Staying the course is an equally important challenge. Good government involves both the responsibility for making fresh starts and the responsibility for perseverance.

The responsibility for perseverance is one that is shared by the President, the public, and the Congress.

—We have come a long way, for example, on the road to ending the Vietnam war and to improving relations with our adversaries. But these initiatives will depend for their lasting meaning on our persistence in seeing them through.

—The magnificent cooperation of the American people has enabled us to make substantial progress in curbing inflation and in reinvigorating our economy. But the new prosperity we seek can be completed only if the public continues in its commitment to economic responsibility and discipline.

—Encouraging new starts have also been made over the last 3 years in treating our domestic ills. But continued progress now requires the Congress to act on its large and growing backlog of pending legislation.

America's agenda for action is already well established as we enter 1972. It will grow in the weeks ahead as we present still more initiatives. But we dare not let the emergence of new business obscure the urgency of old business. Our new agenda will be little more than an empty gesture if we abandon—or even de-emphasize—that part of the old agenda which is yet unfinished.

GETTING OURSELVES TOGETHER

One measure of the Nation's progress in these first years of the Seventies is the improvement in our national morale. While the 1960's were a time of great accomplishment, they were also a time of growing confusion. Our recovery from that condition is not complete, but we have made a strong beginning.

Then we were a shaken and uncertain people, but now we are recovering our confidence. Then we were divided and suspicious, but now we are renewing our sense of common purpose. Then we were surrounded by shouting and posturing, but we have been learning once again to lower our voices. And we have also been learning to listen.

A history of the 1960's was recently published under the title, *Coming Apart*. But today we can say with confidence that we are coming apart no longer. The "center" of American life has held, and once again we are getting ourselves together.

THE SPIRIT OF REASON AND REALISM

Under the pressures of an election year, it would be easy to look upon the legislative program merely as a political device and not as a serious agenda. We must resist this temptation. The year ahead of us holds precious time in which to accomplish good for this Nation and we must not, we dare not, waste it. Our progress depends on a continuing spirit of partnership between the President and the Congress, between the House and the Senate, between Republicans and Democrats. That spirit does not require us always to agree with one another but it does require us to approach our tasks, together, in a spirit of reason and realism.

Clear words are the great servant of reason. Intemperate words are the great enemy of reason. The cute slogan, the glib headline, the clever retort, the appeal to passion—these are not the way to truth or to good public policy.

To be dedicated to clear thinking, to place the interests of all above the interests of the few, to hold to ultimate values and to curb momentary passions, to think more about the next generation and less about the next election—these are now our special challenges.

ENDING THE WAR

The condition of a nation's spirit cannot be measured with precision, but some of the factors which influence that spirit can. I believe the most dramatic single measurement of the distance we have traveled in the last 36 months is found in the statistics concerning our involvement in the war in Vietnam.

On January 20, 1969 our authorized troop ceiling in Vietnam was 549,500. And there was no withdrawal plan to bring these men home. On seven occasions since that time, I have announced withdrawal decisions—involving a total of 480,500 troops. As a result, our troop ceiling will be only 69,000 by May 1. This means that in 3 years we will have cut our troop strength in Vietnam by 87 percent. As we proceed toward our goal of a South Vietnam fully able to defend itself, we will reduce that level still further.

In this same period, expenditures connected with the war have been cut dras-

tically. There has been a drop of well over 50 percent in American air activity in all of Southeast Asia. Our ground combat role has been ended. Most importantly, there has been a reduction of 95 percent in combat deaths.

Our aim is to cut the death and casualty toll by 100 percent, to obtain the release of those who are prisoners of war, and to end the fighting altogether.

It is my hope that we can end this tragic conflict through negotiation. If we cannot, then we will end it through Vietnamization. But end it we shall—in a way which fulfills our commitment to the people of South Vietnam and which gives them the chance for which they have already sacrificed so much—the chance to choose their own future.

THE LESSONS OF CHANGE

The American people have learned many lessons in the wake of Vietnam—some helpful and some dangerous. One important lesson is that we can best serve our own interests in the world by setting realistic limits on what we try to accomplish unilaterally. For the peace of the world will be more secure, and its progress more rapid, as more nations come to share more fully in the responsibilities for peace and for progress.

At the same time, to conclude that the United States should now withdraw from all or most of its international responsibilities would be to make a dangerous error. There has been a tendency among some to swing from one extreme to the other in the wake of Vietnam, from wanting to do too much in the world to wanting to do too little. We must resist this temptation to over-react. We must stop the swinging pendulum before it moves to an opposite position, and forge instead an attitude toward the world which is balanced and sensible and realistic.

America has an important role to play in international affairs, a great influence to exert for good. As we have throughout this century, we must continue our profound concern for advancing peace and freedom, by the most effective means possible, even as we shift somewhat our view of what means are most effective.

This is our policy:

- We will maintain a nuclear deterrent adequate to meet any threat to the security of the United States or of our allies.
- We will help other nations develop the capability of defending themselves.
- We will faithfully honor all of our treaty commitments.
- We will act to defend our interests whenever and wherever they are threatened any place in the world.
- But where our interests or our treaty commitments are not involved our role will be limited.
- We will not intervene militarily.
- But we will use our influence to prevent war.
- If war comes we will use our influence to try to stop it.
- Once war is over we will do our share in helping to bind up the wounds of those who have participated in it.

OPENING NEW LINES OF COMMUNICATION

Even as we seek to deal more realistically with our partners, so we must also deal more realistically with those who have been our adversaries. In the last year we have made a number of notable advances toward this goal.

In our dealings with the Soviet Union, for example, we have been able, together with our allies, to reach an historic agreement concerning Berlin. We have advanced the prospects for limiting strategic armaments. We have moved toward greater cooperation in space research and toward improving our economic relationships. There have been disappointments such as South Asia and uncertainties such as the Middle East. But there has also been progress we can build on.

It is to build on the progress of the past and to lay the foundations for greater progress in the future that I will soon be visiting the capitals of both the People's Republic of China and the Soviet Union. These visits will help to fulfill the promise I made in my Inaugural address when I said "that during this administration our lines of communication will be open," so that we can help create "an open world—open to ideas, open to the exchange of goods and people, a world in which no people, great or small, will live in angry isolation." It is in this spirit that I will undertake these journeys.

We must also be realistic, however, about the scope of our differences with these governments. My visits will mean not that our differences have disappeared or will disappear in the near future. But peace depends on the ability of great powers to live together on the same planet despite their differences. The important thing is that we talk about these differences rather than fight about them.

It would be a serious mistake to say that nothing can come of our expanded communications with Peking and Moscow. But it would also be a mistake to expect too much too quickly.

It would also be wrong to focus so much attention on these new opportunities that we neglect our old friends. That is why I have met in the last few weeks with the leaders of two of our hemisphere neighbors, Canada and Brazil, with the leaders of three great European nations, and with the Prime Minister of Japan. I believe these meetings were extremely successful in cementing our understandings with these governments as we move forward together in a fast changing period.

Our consultations with our allies may not receive as much attention as our talks with potential adversaries. But this makes them no less important. The cornerstone of our foreign policy remains—and will remain—our close bonds with our friends around the world.

A STRONG DEFENSE: THE GUARDIAN OF PEACE

There are two additional elements which are critical to our efforts to strengthen the structure of peace.

The first of these is the military strength of the United States.

In the last 3 years we have been moving from a wartime to a peacetime foot-

ing, from a period of continued confrontation and arms competition to a period of negotiation and potential arms limitation, from a period when America often acted as policeman for the world to a period when other nations are assuming greater responsibility for their own defense. I was recently encouraged, for example, by the decision of our European allies to increase their share of the NATO defense budget by some \$1 billion.

As a part of this process, we have ended the production of chemical and biological weaponry and have converted two of our largest facilities for such production to humanitarian research. We have been able to reduce and in some periods even to eliminate draft calls. In 1971, draft calls—which were as high as 382,000 at the peak of the Vietnam war—fell below 100,000, the lowest level since 1962. In the coming year they will be significantly lower. I am confident that by the middle of next year we can achieve our goal of reducing draft calls to zero.

As a result of all these developments, our defense spending has fallen to 7 percent of our gross national product in the current fiscal year, compared with 8.3 percent in 1964 and 9.5 percent in 1968. That figure will be down to 6.4 percent in fiscal year 1973. Without sacrificing any of our security interests, we have been able to bring defense spending below the level of human resource spending for the first time in 20 years. This condition is maintained in my new budget—which also, for the first time, allocates more money to the Department of Health, Education, and Welfare than to the Department of Defense.

But just as we avoid extreme reactions in our political attitudes toward the world, so we must avoid over-reacting as we plan for our defense. We have reversed spending priorities, but we have never compromised our national security. And we never will. For any step which weakens America's defenses will also weaken the prospects for peace.

Our plans for the next year call for an increase in defense spending. That increase is made necessary in part by rising research and development costs, in part by military pay increases—which, in turn, will help us eliminate the draft—and in part by the need to proceed with new weapon systems to maintain our security at an adequate level. Even as we seek with the greatest urgency stable controls on armaments, we cannot ignore the fact that others are going forward with major increases in their own arms programs.

In the year ahead we will be working to improve and protect, to diversify and disperse our strategic forces in ways which make them even less vulnerable to attack and more effective in deterring war. I will request a substantial budget increase to preserve the sufficiency of our strategic nuclear deterrent, including an allocation of over \$900 million to improve our sea-based deterrent force. I recently directed the Department of Defense to develop a program to build additional missile launching submarines, carrying

a new and far more effective missile. We will also proceed with programs to reoutfit our Polaris submarines with the Poseidon missile system, to replace older land-based missiles with Minuteman III, and to deploy the SAFEGUARD Anti-Ballistic Missile System.

At the same time, we must move to maintain our strength at sea. The Navy's budget was increased by \$2 billion in the current fiscal year, and I will ask for a similar increase next year, with particular emphasis on our shipbuilding programs.

Our military research and development program must also be stepped up. Our budget in this area was increased by \$594 million in the current fiscal year and I will recommend a further increase for next year of \$838 million. I will also propose a substantial program to develop and procure more effective weapons systems for our land and tactical air forces, and to improve the National Guard and Reserves, providing more modern weapons and better training.

In addition, we will expand our strong program to attract volunteer career soldiers so that we can phase out the draft. With the cooperation of the Congress, we have been able to double the basic pay of first time enlistees. Further substantial military pay increases are planned. I will also submit to the Congress an overall reform of our military retirement and survivor benefit programs, raising the level of protection for military families. In addition, we will expand efforts to improve race relations, to equalize promotional opportunities, to control drug abuse, and generally to improve the quality of life in the Armed Forces.

As we take all of these steps, let us remember that strong military defenses are not the enemy of peace; they are the guardians of peace. Our ability to build a stable and tranquil world—to achieve an arms control agreement, for example—depends on our ability to negotiate from a position of strength. We seek adequate power not as an end in itself but as a means for achieving our purpose. And our purpose is peace.

In my Inaugural address 3 years ago I called for cooperation to reduce the burden of arms—and I am encouraged by the progress we have been making toward that goal. But I also added this comment: "... to all those who would be tempted by weakness, let us leave no doubt that we will be as strong as we need to be for as long as we need to be." Today I repeat that reminder.

A REALISTIC PROGRAM OF FOREIGN ASSISTANCE

Another important expression of America's interest and influence in the world is our foreign assistance effort. This effort has special significance at a time when we are reducing our direct military presence abroad and encouraging other countries to assume greater responsibilities. Their growing ability to undertake these responsibilities often depends on America's foreign assistance.

We have taken significant steps to reform our foreign assistance programs in recent years, to eliminate waste and to give them greater impact. Now three further imperatives rest with the Congress:

—to fund in full the levels of assist-

ance which I have earlier recommended for the current fiscal year, before the present interim funding arrangement expires in late February;

—to act upon the fundamental aid reform proposals submitted by this administration in 1971;

—and to modify those statutes which govern our response to expropriation of American property by foreign governments, as I recommended in my recent statement on the security of overseas investments.

These actions, taken together, will constitute not an exception to the emerging pattern for a more realistic American role in the world, but rather a fully consistent and crucially important element in that pattern.

As we work to help our partners in the world community develop their economic potential and strengthen their military forces, we should also cooperate fully with them in meeting international challenges such as the menace of narcotics, the threat of pollution, the growth of population, the proper use of the seas and seabeds, and the plight of those who have been victimized by wars and natural disasters. All of these are global problems and they must be confronted on a global basis. The efforts of the United Nations to respond creatively to these challenges have been most promising, as has the work of NATO in the environmental field. Now we must build on these beginnings.

AMERICA'S INFLUENCE FOR GOOD

The United States is not the world's policeman nor the keeper of its moral conscience. But—whether we like it or not—we still represent a force for stability in what has too often been an unstable world, a force for justice in a world which is too often unjust, a force for progress in a world which desperately needs to progress, a force for peace in world that is weary of war.

We can have a great influence for good in our world—and for that reason we bear a great responsibility. Whether we fulfill that responsibility—whether we fully use our influence for good—these are questions we will be answering as we reshape our attitudes and policies toward other countries, as we determine our defensive capabilities, and as we make fundamental decisions about foreign assistance. I will soon discuss these and other concerns in greater detail in my annual report to the Congress on foreign policy.

Our influence for good in the world depends, of course, not only on decisions which touch directly on international affairs but also on our internal strength—on our sense of pride and purpose, on the vitality of our economy, on the success of our efforts to build a better life for all our people. Let us turn then from the state of the Union abroad to the state of the Union at home.

THE ECONOMY TOWARD A NEW PROSPERITY

Just as the Vietnam war occasioned much of our spiritual crisis, so it lay at the root of our economic problems 3 years ago. The attempt to finance that war through budget deficits in a period of full employment had produced a wave of price

inflation as dangerous and as persistent as any in our history. It was more persistent, frankly, than I expected it would be when I first took office. And it only yielded slowly to our dual efforts to cool the war and to cool inflation.

Our challenge was further compounded by the need to reabsorb more than 2 million persons who were released from the Armed Forces and from defense-related industries and by the substantial expansion of the labor force.

In short, the escalation of the Vietnam war in the late 1960's destroyed price stability. And the de-escalation of that war in the early 1970's impeded full employment.

Throughout these years, however, I have remained convinced that both price stability and full employment were realistic goals for this country. By last summer it became apparent that our efforts to eradicate inflation without wage and price controls would either take too long or—if they were to take effect quickly—would come at the cost of persistent high unemployment. This cost was unacceptable. On August 15th I therefore announced a series of new economic policies to speed our progress toward a new prosperity without inflation in peacetime.

These policies have received the strong support of the Congress and the American people, and as a result they have been effective. To carry forward these policies, three important steps were taken this past December—all within a brief 2-week period—which will also help to make the coming year a very good year for the American economy.

On December 10, I signed into law the Revenue Act of 1971, providing tax cuts over the next 3 years of some \$15 billion, cuts which I requested to stimulate the economy and to provide hundreds of thousands of new jobs. On December 22, I signed into law the Economic Stabilization Act Amendments of 1971, which will allow us to continue our program of wage and price restraints to break the back of inflation.

Between these two events, on December 18, I was able to announce a major breakthrough on the international economic front—reached in cooperation with our primary economic partners. This breakthrough will mitigate the intolerable strains which were building up in the world's monetary and payments structure and will lead to a removal of trade barriers which have impeded American exports. It also sets the stage for broader reforms in the international monetary system so that we can avoid repeated monetary crises in the future. Both the monetary realignment—the first of its scope in history—and our progress in readjusting trade conditions will mean better markets for American goods abroad and more jobs for American workers at home.

A BRIGHTER ECONOMIC PICTURE

As a result of all these steps, the economic picture—which has brightened steadily during the last 5 months—will, I believe, continue to grow brighter. This is not my judgment alone; it is widely shared by the American people. Virtually every survey and forecast in recent weeks

shows a substantial improvement in public attitudes about the economy—which are themselves so instrumental in shaping economic realities.

The inflationary psychology which gripped our Nation so tightly for so long is on the ebb. Business and consumer confidence has been rising. Businessmen are planning a 9.1 percent increase in plant and equipment expenditures in 1972, more than four times as large as the increase in 1971. Consumer spending and retail sales are on the rise. Home building is booming—housing starts last year were up more than 40 percent from 1970, setting an all-time record. Interest rates are sharply down. Both income and production are rising. Real output in our economy in the last 3 months of 1971 grew at a rate that was about double that of the previous two quarters.

Perhaps most importantly, total employment has moved above the 80 million mark—to a record high—and is growing rapidly. In the last 5 months of 1971, some 1.1 million additional jobs were created in our economy and only a very unusual increase in the size of our total labor force kept the unemployment rate from falling.

But whatever the reason, 6 percent unemployment is too high. I am determined to cut that percentage—through a variety of measures. The budget I present to the Congress next week will be an expansionary budget—reflecting the impact of new job-creating tax cuts and job-creating expenditures. We will also push to increase employment through our programs for manpower training and public service employment, through our efforts to expand foreign markets, and through other new initiatives.

Expanded employment in 1972 will be different, however, from many other periods of full prosperity. For it will come without the stimulus of war—and it will come without inflation. Our program of wage and price controls is working. The consumer price index, which rose at a yearly rate of slightly over 6 percent during 1969 and the first half of 1970, rose at a rate of only 1.7 percent from August through November of 1971.

I would emphasize once again, however, that our ultimate objective is lasting price stability without controls. When we achieve an end to the inflationary psychology which developed in the 1960's we will return to our traditional policy of relying on free market forces to determine wages and prices.

I would also emphasize that while our new budget will be in deficit, the deficit will not be irresponsible. It will be less than this year's actual deficit and would disappear entirely under full employment conditions. While Federal spending continues to grow, the rate of increase in spending has been cut very sharply—to little more than half that experienced under the previous administration. The fact that our battle against inflation has led us to adopt a new policy of wage and price restraints should not obscure the continued importance of our fiscal and monetary policies in holding down the cost of living. It is most important that the Congress join now in resisting the temptation to overspend and in accept-

ing the discipline of a balanced full employment budget.

I will soon present a more complete discussion of all of these matters in my Budget Message and in my Economic Report.

A NEW ERA IN INTERNATIONAL ECONOMICS

Just as we have entered a new period of negotiation in world politics, so we have also moved into a new period of negotiation on the international economic front. We expect these negotiations to help us build both a new international system for the exchange of money and a new system of international trade. These accomplishments, in turn, can open a new era of fair competition and constructive interdependence in the global economy.

We have already made important strides in this direction. The realignment of exchange rates which was announced last month represents an important forward step—but now we also need basic long-range monetary reform. We have made an important beginning toward altering the conditions for international trade and investment—and we expect further substantial progress. I would emphasize that progress for some nations in these fields need not come at the expense of others. All nations will benefit from the right kind of monetary and trade reform.

Certainly the United States has a high stake in such improvements. Our international economic position has been slowly deteriorating now for some time—a condition which could have dangerous implications for both our influence abroad and our prosperity at home. It has been estimated, for example, that full employment prosperity will depend on the creation of some 20 million additional jobs in this decade. And expanding our foreign markets is a most effective way to expand domestic employment.

One of the major reasons for the weakening of our international economic position is that the ground rules for the exchange of goods and money have forced us to compete with one hand tied behind our back. One of our most important accomplishments in 1971 was our progress in changing this situation.

COMPETING MORE EFFECTIVELY

Monetary and trade reforms are only one part of this story. The ability of the United States to hold its own in world competition depends not only on the fairness of the rules, but also on the competitiveness of our economy. We have made great progress in the last few months in improving the terms of competition. Now we must also do all we can to strengthen the ability of our own economy to compete.

We stand today at a turning point in the history of our country—and in the history of our planet. On the one hand, we have the opportunity to help bring a new economic order to the world, an open order in which nations eagerly face outward to build that network of interdependence which is the best foundation for prosperity and for peace. But we will also be tempted in the months ahead to take the opposite course—to withdraw from the world

economically as some would have us withdraw politically, to build an economic "Fortress America" within which our growing weakness could be concealed. Like a child who will not go out to play with other children, we would probably be saved a few minor bumps and bruises in the short run if we were to adopt this course. But in the long run the world would surely pass us by.

I reject this approach. I remain committed to that open world I discussed in my Inaugural address. That is why I have worked for a more inviting climate for America's economic activity abroad. That is why I have placed so much emphasis on increasing the productivity of our economy at home. And that is also why I believe so firmly that we must stimulate more long-range investment in our economy, find more effective ways to develop and use new technology, and do a better job of training and using skilled manpower.

An acute awareness of the international economic challenge led to the creation just one year ago of the Cabinet-level Council on International Economic Policy. This new institution has helped us to understand this challenge better and to respond to it more effectively.

As our understanding deepens, we will discover additional ways of improving our ability to compete. For example, we can enhance our competitive position by moving to implement the metric system of measurement, a proposal which the Secretary of Commerce presented in detail to the Congress last year. And we should also be doing far more to gain our fair share of the international tourism market, now estimated at \$17 billion annually, one of the largest factors in world trade. A substantial part of our balance of payments deficit results from the fact that American tourists abroad spend \$2.5 billion more than foreign tourists spend in the United States. We can help correct this situation by attracting more foreign tourists to our shores—especially as we enter our Bicentennial era. I am therefore requesting that the budget for the United States Travel Service be nearly doubled in the coming year.

THE UNFINISHED AGENDA

Our progress toward building a new economic order at home and abroad has been made possible by the cooperation and cohesion of the American people. I am sure that many Americans had misgivings about one aspect or another of the new economic policies I introduced last summer. But most have nevertheless been ready to accept this new effort in order to build the broad support which is essential for effective change.

The time has now come for us to apply this same sense of realism and reasonability to other reform proposals which have been languishing on our domestic agenda. As was the case with our economic policies, most Americans agree that we need a change in our welfare system, in our health strategy, in our programs to improve the environment, in the way we finance State and local government, and in the organization of government at the Federal level. Most Americans are not satisfied with the

status quo in education, in transportation, in law enforcement, in drug control, in community development. In each of these areas—and in others—I have put forward specific proposals which are responsive to this deep desire for change.

And yet achieving change has often been difficult. There has been progress in some areas, but for the most part, as a nation we have not shown the same sense of self-discipline in our response to social challenges that we have developed in meeting our economic needs. We have not been as ready as we should have been to compromise our differences and to build a broad coalition for change. And so we often have found ourselves in a situation of stalemate—doing essentially nothing even though most of us agree that nothing is the very worst thing we can do.

Two years ago this week, and again one year ago, my messages on the State of the Union contained broad proposals for domestic reform. I am presenting a number of new proposals in this year's message. But I also call once again, with renewed urgency, for action on our unfinished agenda.

WELFARE REFORM

The first item of unfinished business is welfare reform.

Since I first presented my proposals in August of 1969, some 4 million additional persons have been added to our welfare rolls. The cost of our old welfare system has grown by an additional \$4.2 billion. People have not been moving as fast as they should from welfare rolls to pay-rolls. Too much of the traffic has been the other way.

Our antiquated welfare system is responsible for this calamity. Our new program of "workfare" would begin to end it.

Today, more than ever, we need a new program which is based on the dignity of work, which provides strong incentives for work, and which includes for those who are able to work an effective work requirement. Today, more than ever, we need a new program which helps hold families together rather than driving them apart, which provides day care services so that low income mothers can trade dependence on government for the dignity of employment, which relieves intolerable fiscal pressures on State and local governments, and which replaces 54 administrative systems with a more efficient and reliable nationwide approach.

I have now given prominent attention to this subject in three consecutive messages on the state of the Union. The House of Representatives has passed welfare reform twice. Now that the new economic legislation has been passed, I urge the Senate Finance Committee to place welfare reform at the top of its agenda. It is my earnest hope that when this Congress adjourns, welfare reform will not be an item of pending business but an accomplished reality.

REVENUE SHARING: RETURNING POWER TO THE PEOPLE

At the same time that I introduced my welfare proposals 2½ years ago, I also presented a program for sharing Federal revenues with State and local govern-

ments. Last year I greatly expanded on this concept. Yet, despite undisputed evidence of compelling needs, despite overwhelming public support, despite the endorsement of both major political parties and most of the Nation's Governors and mayors, and despite the fact that most other nations with federal systems of government already have such a program, revenue sharing still remains on the list of unfinished business.

I call again today for the enactment of revenue sharing. During its first full year of operation our proposed programs would spend \$17.6 billion, both for general purposes and through six special purpose programs for law enforcement, manpower, education, transportation, rural community development, and urban community development.

As with welfare reform, the need for revenue sharing becomes more acute as time passes. The financial crisis of State and local government is deepening. The pattern of breakdown in State and municipal services grows more threatening. Inequitable tax pressures are mounting. The demand for more flexible and more responsive government—at levels closer to the problems and closer to the people—is building.

Revenue sharing can help us meet these challenges. It can help reverse what has been the flow of power and resources toward Washington by sending power and resources back to the States, to the communities, and to the people. Revenue sharing can bring a new sense of accountability, a new burst of energy and a new spirit of creativity to our federal system.

I am pleased that the House Ways and Means Committee has made revenue sharing its first order of business in the new session. I urge the Congress to enact in this session, not an empty program which bears the revenue sharing label while continuing the outworn system of categorical grants, but a bold, comprehensive program of genuine revenue sharing.

I also presented last year a \$100 million program of planning and management grants to help the States and localities do a better job of analyzing their problems and carrying out solutions. I hope this program will also be quickly accepted. For only as State and local governments get a new lease on life can we hope to bring government back to the people—and with it a stronger sense that each individual can be in control of his life, that every person can make a difference.

OVERHAULING THE MACHINERY OF GOVERNMENT: EXECUTIVE REORGANIZATION

As we work to make State and local government more responsive—and more responsible—let us also seek these same goals at the Federal level. I again urge the Congress to enact my proposals for reorganizing the executive branch of the Federal Government. Here again, support from the general public—as well as from those who have served in the executive branch under several Presidents—has been most encouraging. So has the success of the important organizational reforms we have already made. These have included a restructured Ex-

ecutive Office of the President—with a new Domestic Council, a new Office of Management and Budget, and other units; reorganized field operations in Federal agencies; stronger mechanisms for interagency coordination, such as Federal Regional Councils; a new United States Postal Service; and new offices for such purposes as protecting the environment, coordinating communications policy, helping the consumer, and stimulating voluntary service. But the centerpiece of our efforts to streamline the executive branch still awaits approval.

How the government is put together often determines how well the government can do its job. Our Founding Fathers understood this fact—and thus gave detailed attention to the most precise structural questions. Since that time, however, and especially in recent decades, new responsibilities and new constituencies have caused the structure they established to expand enormously—and in a piecemeal and haphazard fashion.

As a result, our Federal Government today is too often a sluggish and unresponsive institution, unable to deliver a dollar's worth of service for a dollar's worth of taxes.

My answer to this problem is to streamline the executive branch by reducing the overall number of executive departments and by creating four new departments in which existing responsibilities would be refocused in a coherent and comprehensive way. The rationale which I have advanced calls for organizing these new departments around the major purposes of the government—by creating a Department of Natural Resources, a Department of Human Resources, a Department of Community Development, and a Department of Economic Affairs. I have revised my original plan so that we would not eliminate the Department of Agriculture but rather restructure that Department so it can focus more effectively on the needs of farmers.

The Congress has recently reorganized its own operations, and the Chief Justice of the United States has led a major effort to reform and restructure the judicial branch. The impulse for reorganization is strong and the need for reorganization is clear. I hope the Congress will not let this opportunity for sweeping reform of the executive branch slip away.

A NEW APPROACH TO THE DELIVERY OF SOCIAL SERVICES

As a further step to put the machinery of government in proper working order, I will also propose new legislation to reform and rationalize the way in which social services are delivered to families and individuals.

Today it often seems that our service programs are unresponsive to the recipients' needs and wasteful of the taxpayers' money. A major reason is their extreme fragmentation. Rather than pulling many services together, our present system separates them into narrow and rigid categories. The father of a family is helped by one program, his daughter by another, and his elderly parents by a third. An individual goes to one place for

nutritional help, to another for health services, and to still another for educational counseling. A community finds that it cannot transfer Federal funds from one program area to another area in which needs are more pressing.

Meanwhile, officials at all levels of government find themselves wasting enormous amounts of time, energy, and the taxpayers' money untangling Federal redtape—time and energy and dollars which could better be spent in meeting people's needs.

We need a new approach to the delivery of social services—one which is built around people and not around programs. We need an approach which treats a person as a whole and which treats the family as a unit. We need to break through rigid categorical walls, to open up narrow bureaucratic compartments, to consolidate and coordinate related programs in a comprehensive approach to related problems.

The Allied Services Act which will soon be submitted to the Congress offers one set of tools for carrying out that new approach in the programs of the Department of Health, Education and Welfare. It would strengthen State and local planning and administrative capacities, allow for the transfer of funds among various HEW programs, and permit the waiver of certain cumbersome Federal requirements. By streamlining and simplifying the delivery of services, it would help more people move more rapidly from public dependency toward the dignity of being self-sufficient.

Good men and good money can be wasted on bad mechanisms. By giving those mechanisms a thorough overhaul, we can help to restore the confidence of the people in the capacities of their government.

PROTECTING THE ENVIRONMENT

A central theme of both my earlier messages on the state of the Union was the state of our environment—and the importance of making "our peace with nature." The last few years have been a time in which environmental values have become firmly embedded in our attitudes—and in our institutions. At the Federal level, we have established a new Environmental Protection Agency, a new Council on Environmental Quality and a new National Oceanic and Atmospheric Administration, and we have proposed an entire new Department of Natural Resources. New air quality standards have been set, and there is evidence that the air in many cities is becoming less polluted. Under authority granted by the Refuse Act of 1899, we have instituted a new permit program which, for the first time, allows the Federal Government to inventory all significant industrial sources of water pollution and to specify required abatement actions. Under the Refuse Act, more than 160 civil actions and 320 criminal actions to stop water pollution have been filed against alleged polluters in the last 12 months. Major programs have also been launched to build new municipal waste treatment facilities, to stop pollution from Federal facilities, to expand our wilderness areas, and to leave a legacy of parks for future generations. Our outlays for inner city

parks have been significantly expanded, and 62 Federal tracts have been transferred to the States and to local governments for recreational uses. In the coming year, I hope to transfer to local park use much more Federal land which is suitable for recreation but which is now underutilized. I trust the Congress will not delay this process.

The most striking fact about environmental legislation in the early 1970's is how much has been proposed and how little has been enacted. Of the major legislative proposals I made in my special message to the Congress on the environment last winter, 18 are still awaiting final action. They include measures to regulate pesticides and toxic substances, to control noise pollution, to restrict dumping in the oceans, in coastal waters, and in the Great Lakes, to create an effective policy for the use and development of land, to regulate the siting of power plants, to control strip mining, and to help achieve many other important environmental goals. The unfinished agenda also includes our National Resource Land Management Act, and other measures to improve environmental protection on federally owned lands.

The need for action in these areas is urgent. The forces which threaten our environment will not wait while we procrastinate. Nor can we afford to rest on last year's agenda in the environmental field. For as our understanding of these problems increases, so must our range of responses. Accordingly, I will soon be sending to the Congress another message on the environment that will present further administrative and legislative initiatives. Altogether our new budget will contain more than three times as much money for environmental programs in fiscal year 1973 as we spent in fiscal year 1969. To fail in meeting the environmental challenge, however, would be even more costly.

I urge the Congress to put aside narrow partisan perspectives that merely ask "whether" we should act to protect the environment and to focus instead on the more difficult question of "how" such action can most effectively be carried out.

ABUNDANT CLEAN ENERGY

In my message to the Congress on energy policy, last June, I outlined additional steps relating to the environment which also merit renewed attention. The challenge, as I defined it, is to produce a sufficient supply of energy to fuel our industrial civilization and at the same time to protect a beautiful and healthy environment. I am convinced that we can achieve both these goals, that we can respect our good earth without turning our back on progress.

In that message last June, I presented a long list of means for assuring an ample supply of clean energy—including the liquid metal fast breeder reactor—and I again emphasize their importance. Because it often takes several years to bring new technologies into use in the energy field, there is no time for delay. Accordingly, I am including in my new budget increased funding for the most promising of these and other clean energy programs. By acting this year, we can avoid having to choose in some future year be-

tween too little energy and too much pollution.

KEEPING PEOPLE HEALTHY

The National Health Strategy I outlined last February is designed to achieve one of the Nation's most important goals for the 1970's, improving the quality and availability of medical care, while fighting the trend toward runaway costs. Important elements of that strategy have already been enacted. The Comprehensive Health Manpower Training Act and the Nurse Training Act, which I signed on November 18, represent the most far-reaching effort in our history to increase the supply of doctors, nurses, dentists, and other health professionals and to attract them to areas which are experiencing manpower shortages. The National Cancer Act, which I signed on December 23, marked the climax of a year-long effort to step up our campaign against cancer. During the past year, our cancer research budget has been increased by \$100 million and the full weight of my office has been given to our all-out war on this disease. We have also expanded the fight against sickle cell anemia by an additional \$5 million.

I hope that action on these significant fronts during the first session of the 92d Congress will now be matched by action in other areas during the second session. The Health Maintenance Organization Act, for example, is an essential tool for helping doctors deliver care more effectively and more efficiently with a greater emphasis on prevention and early treatment. By working to keep our people healthy instead of treating us only when we are sick, Health Maintenance Organizations can do a great deal to help us reduce medical costs.

Our National Health Insurance Partnership legislation is also essential to assure that no American is denied basic medical care because of inability to pay. Too often, present health insurance leaves critical outpatient services uncovered, distorting the way in which facilities are used. It also fails to protect adequately against catastrophic costs and to provide sufficient assistance for the poor. The answer I have suggested is a comprehensive national plan—not one that nationalizes our private health insurance industry but one that corrects the weaknesses in that system while building on its considerable strengths.

A large part of the enormous increase in the Nation's expenditures on health in recent years has gone not to additional services but merely to meet price inflation. Our efforts to balance the growing demand for care with an increased supply of services will help to change this picture. So will that part of our economic program which is designed to control medical costs. I am confident that with the continued cooperation of those who provide health services, we will succeed on this most important battlefield in our war against inflation.

Our program for the next year will also include further funding increases for health research—including substantial new sums for cancer and sickle cell anemia—as well as further increases for medical schools and for meeting special problems such as drug addiction and

alcoholism. We also plan to construct new veterans hospitals and expand the staffs at existing ones.

In addition, we will be giving increased attention to the fight against diseases of the heart, blood vessels, and lungs, which presently account for more than half of all the deaths in this country. It is deeply disturbing to realize that, largely because of heart disease, the mortality rate for men under the age of 55 is about twice as great in the United States as it is, for example, in some Scandinavian countries.

I will shortly assign a panel of distinguished experts to help us determine why heart disease is so prevalent and so menacing and what we can do about it. I will also recommend an expanded budget for the National Heart and Lung Institute. The young father struck down by a heart attack in the prime of life, the productive citizen crippled by a stroke, an older person tortured by breathing difficulties during his later years—these are tragedies which can be reduced in number and we must do all that is possible to reduce them.

NUTRITION

One of the critical areas in which we have worked to advance the health of the Nation is that of combating hunger and improving nutrition. With the increases in our new budget, expenditures on our food stamp program will have increased ninefold since 1969, to the \$2.3 billion level. Spending on school lunches for needy children will have increased more than sevenfold, from \$107 million in 1969 to \$770 million in 1973. Because of new regulations which will be implemented in the year ahead, we will be able to increase further both the equity of our food stamp program and the adequacy of its benefits.

COPING WITH ACCIDENTS—AND PREVENTING THEM

Last year, more than 115,000 Americans lost their lives in accidents. Four hundred thousand more were permanently disabled and 10 million more temporarily disabled. The loss to our economy from accidents last year is estimated at over \$28 billion. These are sad and staggering figures—especially since this toll could be greatly reduced by upgrading our emergency medical services. Such improvement does not even require new scientific breakthroughs; it only requires that we apply our present knowledge more effectively.

To help in this effort, I am directing the Department of Health, Education and Welfare to develop new ways of organizing emergency medical services and of providing care to accident victims. By improving communication, transportation, and the training of emergency personnel, we can save many thousands of lives which would otherwise be lost to accidents and sudden illnesses.

One of the significant joint accomplishments of the Congress and this administration has been a vigorous new program to protect against job-related accidents and illnesses. Our occupational health and safety program will be further strengthened in the year ahead—as will our ongoing efforts to promote air traffic safety, boating safety, and safety on the highways.

In the last 3 years, the motor vehicle death rate has fallen by 13 percent, but we still lose some 50,000 lives on our highways *each year—more than we have lost in combat in the entire Vietnam war.*

Fully one-half of these deaths were directly linked to alcohol. This appalling reality is a blight on our entire Nation—and only the active concern of the entire Nation can remove it. The Federal Government will continue to help all it can, through its efforts to promote highway safety and automobile safety, and through stronger programs to help the problem drinker.

YESTERDAY'S GOALS: TOMORROW'S ACCOMPLISHMENTS

Welfare reform, revenue sharing, executive reorganization, environmental protection, and the new national health strategy—these, along with economic improvement, constituted the six great goals I emphasized in my last State of the Union address—six major components of a New American Revolution. They remain six areas of great concern today. With the cooperation of the Congress, they can be six areas of great accomplishment tomorrow.

But the challenges we face cannot be reduced to six categories. Our problems—and our opportunities—are manifold, and action on many fronts is required. It is partly for this reason that my State of the Union address this year includes this written message to the Congress. For it gives me the chance to discuss more fully a number of programs which also belong on our list of highest priorities.

ACTION FOR THE AGING

Last month, I joined with thousands of delegates to the White House Conference on Aging in a personal commitment to make 1972 a year of action on behalf of 21 million older Americans. Today I call on the Congress to join me in that pledge. For unless the American dream comes true for our older generation it cannot be complete for any generation.

We can begin to make this a year of action for the aging by acting on a number of proposals which have been pending since 1969. For older Americans, the most significant of these is the bill designated H.R. 1. This legislation, which also contains our general welfare reform measures, would place a national floor under the income of all older Americans, guarantee inflation-proof social security benefits, allow social security recipients to earn more from their own work, increase benefits for widows, and provide a 5-percent across-the-board increase in social security. Altogether, H.R. 1—as it now stands—would mean some \$5.5 billion in increased benefits for America's older citizens. I hope the Congress will also take this opportunity to eliminate the \$5.80 monthly fee now charged under Part B of Medicare—a step which would add an additional \$1.5 billion to the income of the elderly. These additions would come on top of earlier social security increases totaling some \$3 billion over the last 3 years.

A number of newer proposals also deserve approval. I am requesting that the budget of the Administration on Aging be increased five-fold over last year's request, to \$100 million, in part so that we

can expand programs which help older citizens live dignified lives in their own homes. I am recommending substantially larger budgets for those programs which give older Americans a better chance to serve their countrymen—Retired Senior Volunteers, Foster Grandparents, and others. And we will also work to ease the burden of property taxes which so many older Americans find so inequitable and so burdensome. Other initiatives, including proposals for extending and improving the Older Americans Act, will be presented as we review the recommendations of the White House Conference on Aging. Our new Cabinet-Level Domestic Council Committee on Aging has these recommendations at the top of its agenda.

We will also be following up in 1972, on one of the most important of our 1971 initiatives—the crackdown on substandard nursing homes. Our follow-through will give special attention to providing alternative arrangements for those who are victimized by such facilities.

The legislation I have submitted to provide greater financial security at retirement, both for those now covered by private pension plans and those who are not, also merits prompt action by the Congress. Only half the country's work force is now covered by tax deductible private pensions; the other half deserve a tax deduction for their retirement savings too. Those who are now covered by pension plans deserve the assurance that their plans are administered under strict fiduciary standards with full disclosure. And they should also have the security provided by prompt vesting—the assurance that even if one leaves a given job, he can still receive the pension he earned there when he retires. The legislation I have proposed would achieve these goals, and would also raise the limit on deductible pension savings for the self-employed.

The state of our Union is strong today because of what older Americans have so long been giving to their country. The state of our Union will be stronger tomorrow if we recognize how much they still can contribute. The best thing our country can give to its older citizens is the chance to be a part of it, the chance to play a contributing role in the great American adventure.

EQUAL OPPORTUNITY FOR MINORITIES

America cannot be at its best as it approaches its 200th birthday unless all Americans have the opportunity to be at their best. A free and open American society, one that is true to the ideals of its founders, must give each of its citizens an equal chance at the starting line and an equal opportunity to go as far and as high as his talents and energies will take him.

The Nation can be proud of the progress it has made in assuring equal opportunity for members of minority groups in recent years. There are many measures of our progress.

Since 1969, we have virtually eliminated the dual school system in the South. Three years ago, 68 percent of all black children in the South were attending all black schools; today only 9 percent are attending schools which are entirely black. Nationally, the number of

100 percent minority schools has decreased by 70 percent during the past 3 years. To further expand educational opportunity, my proposed budget for predominantly black colleges will exceed \$200 million next year, more than double the level of 3 years ago.

On the economic front, overall Federal aid to minority business enterprise has increased threefold in the last 3 years, and I will propose a further increase of \$90 million. Federal hiring among minorities has been intensified, despite cutbacks in Federal employment, so that one-fifth of all Federal employees are now members of minority groups. Building on strong efforts such as the Philadelphia Plan, we will work harder to ensure that Federal contractors meet fair hiring standards. Compliance reviews will be stepped up, to a level more than 300 percent higher than in 1969. Our proposed budget for the Equal Employment Opportunity Commission will be up 36 percent next year, while our proposed budget for enforcing fair housing laws will grow by 20 percent. I also support legislation to strengthen the enforcement powers of the EEOC by providing the Commission with authority to seek court enforcement of its decisions and by giving it jurisdiction over the hiring practices of State and local governments.

Overall, our proposed budget for civil rights activities is up 25 percent for next year, an increase which will give up nearly three times as much money for advancing civil rights as we had 3 years ago. We also plan a 42 percent increase in the budget for the Cabinet Committee on Opportunities for the Spanish speaking. And I will propose that the Congress extend the operations of the Civil Rights Commission for another 5-year period.

SELF-DETERMINATION FOR INDIANS

One of the major initiatives in the second year of my Presidency was designed to bring a new area in which the future for American Indians is determined by Indian acts and Indian decisions. The comprehensive program I put forward sought to avoid the twin dangers of paternalism on the one hand and the termination of trust responsibility on the other. Some parts of this program have now become effective, including a generous settlement of the Alaska Native Claims and the return to the Taos Pueblo Indians of the sacred lands around Blue Lake. Construction grants have been authorized to assist the Navajo Community College, the first Indian-managed institution of higher education.

We are also making progress toward Indian self-determination on the administrative front. A newly reorganized Bureau of Indian Affairs, with almost all Indian leadership, will from now on be concentrating its resources on a program of reservation-by-reservation development, including redirection of employment assistance to strengthen reservation economies, creating local Indian Action Teams for manpower training, and increased contracting of education and other functions to Indian communities.

I again urge the Congress to join in

helping Indians help themselves in fields such as health, education, the protection of land and water rights, and economic development. We have talked about injustice to the first Americans long enough. As Indian leaders themselves have put it, the time has come for more rain and less thunder.

EQUAL RIGHTS FOR WOMEN

This administration will also continue its strong efforts to open equal opportunities for women, recognizing clearly that women are often denied such opportunities today. While every woman may not want a career outside the home, every woman should have the freedom to choose whatever career she wishes—and an equal chance to pursue it.

We have already moved vigorously against job discrimination based on sex in both the private and public sectors. For the first time, guidelines have been issued to require that Government contractors in the private sector have action plans for the hiring and promotion of women. We are committed to strong enforcement of equal employment opportunity for women under Title VII of the Civil Rights Act. To help carry out these commitments I will propose to the Congress that the jurisdiction of the Commission on Civil Rights be broadened to encompass sex-based discrimination.

Within the Government, more women have been appointed to high posts than ever before. As the result of my directives issued in April 1971 the number of women appointed to high-level Federal positions has more than doubled—and the number of women in Federal middle management positions has also increased dramatically. More women than ever before have been appointed to Presidential boards and commissions. Our vigorous program to recruit more women for Federal service will be continued and intensified in the coming year.

OPPORTUNITY FOR VETERANS

A grateful nation owes its servicemen and servicewomen every opportunity it can open to them when they return to civilian life. The Nation may be weary of war, but we dare not grow weary of doing right by those who have borne its heaviest burdens.

The Federal Government is carrying out this responsibility in many ways: through the G.I. Bill for education—which will spend 2½ times more in 1973 than in 1969; through home loan programs and disability and pension benefits—which also have been expanded; through better medical services—including strong new drug treatment programs; through its budget for veterans hospitals, which is already many times the 1969 level and will be stepped up further next year.

We have been particularly concerned in the last 3 years with the employment of veterans—who experience higher unemployment rates than those who have not served in the Armed Forces. During this past year I announced a six-point national program to increase public awareness of this problem, to provide training and counseling to veterans seeking jobs and to help them find employment opportunities. Under the direction of the Secretary of Labor and with the

help of our Jobs for Veterans Committee and the National Alliance of Businessmen, this program has been moving forward. During its first five months of operation, 122,000 Vietnam-era veterans were placed in jobs by the Federal-State Employment Service and 40,000 were enrolled in job training programs. During the next six months, we expect the Federal-State Employment Service to place some 200,000 additional veterans in jobs and to enroll nearly 200,000 more in manpower training programs.

But let us never forget, in this as in so many other areas, that the opportunity for any individual to contribute fully to his society depends in the final analysis on the response—in his own community—of other individuals.

GREATER ROLE FOR AMERICAN YOUTH

Full participation and first class citizenship—these must be our goals for America's young people. It was to help achieve these goals that I signed legislation to lower the minimum voting age to 18 in June of 1970, and moved to secure a court validation of its constitutionality. And I took special pleasure a year later in witnessing the certification of the amendment which placed this franchise guarantee in the Constitution.

But a voice at election time alone is not enough. Young people should have a hearing in government on a day-by-day basis. To this end, and at my direction, agencies throughout the Federal Government have stepped up their hiring of young people and have opened new youth advisory channels. We have also convened the first White House Youth Conference—a wide-open forum whose recommendations have been receiving a thorough review by the Executive departments.

Several other reforms also mean greater freedom and opportunity for America's young people. Draft calls have been substantially reduced, as a step toward our target of reducing them to zero by mid-1973. Already the lottery system and other new procedures, and the contributions of youth advisory councils and younger members on local boards have made the draft far more fair than it was. My educational reform proposals embody the principle that no qualified student who wants to go to college should be barred by lack of money—a guarantee that would open doors of opportunity for many thousands of deserving young people. Our new career education emphasis can also be a significant springboard to good jobs and rewarding lives.

Young America's "extra dimension" in the sixties and seventies has been a drive to help the less fortunate—an activist idealism bent on making the world a better place to live. Our new ACTION volunteer agency, building on the successful experiences of constituent units such as the Peace Corps and Vista, has already broadened service opportunities for the young—and more new programs are in prospect. The Congress can do its part in forwarding this positive momentum by assuring that the ACTION programs have sufficient funds to carry out their mission.

THE AMERICAN FARMER

As we face the challenge of competing more effectively abroad and of producing

more efficiently at home, our entire Nation can take the American farmer as its model. While the productivity of our non-farm industries has gone up 60 percent during the last 20 years, agricultural productivity has gone up 200 percent, or nearly $3\frac{1}{2}$ times as much. One result has been better products and lower prices for American consumers. Another is that farmers have more than held their own in international markets. Figures for the last fiscal year show nearly a \$900 million surplus for commercial agricultural trade.

The strength of American agriculture is at the heart of the strength of America. American farmers deserve a fair share in the fruits of our prosperity.

We still have much ground to cover before we arrive at that goal—but we have been moving steadily toward it. In 1950 the income of the average farmer was only 58 percent of that of his non-farm counterpart. Today that figure stands at 74 percent—not nearly high enough, but moving in the right direction.

Gross farm income reached a record high in 1971, and for 1972 a further increase of \$2 billion is predicted. Because of restraints on production costs, net farm income is expected to rise in 1972 by 6.4 percent or some \$1 billion. Average income per farm is expected to go up 8 percent—to an all-time high—in the next 12 months.

Still there are very serious farm problems—and we are taking strong action to meet them.

I promised 3 years ago to end the sharp skid in farm exports—and I have kept that promise. In just 2 years, farm exports climbed by 37 percent, and last year they set an all-time record. Our expanded marketing programs, the agreement to sell 2 million tons of feed grains to the Soviet Union, our massive aid to South Asia under Public Law 480, and our efforts to halt transportation strikes—by doing all we can under the old law and by proposing a new and better one—these efforts and others are moving us toward our \$10 billion farm export goal.

I have also promised to expand domestic markets, to improve the management of surpluses, and to help in other ways to raise the prices received by farmers. I have kept that promise, too. A surprisingly large harvest drove corn prices down last year, but they have risen sharply since last November. Prices received by dairy farmers, at the highest level in history last year, will continue strong in 1972. Soybean prices will be at their highest level in two decades. Prices received by farmers for hogs, poultry and eggs are all expected to go higher. Expanded Government purchases and other assistance will also provide a greater boost to farm income.

With the close cooperation of the Congress, we have expanded the farmer's freedom and flexibility through the Agricultural Act of 1970. We have strengthened the Farm Credit System and substantially increased the availability of farm credit. Programs for controlling plant and animal disease and for soil and water conservation have also been expanded. All these efforts will continue,

as will our efforts to improve the legal climate for cooperative bargaining—an important factor in protecting the vitality of the family farm and in resisting excessive government management.

DEVELOPING RURAL AMERICA

In my address to the Congress at this time 2 years ago, I spoke of the fact that one-third of our counties had lost population in the 1960's, that many of our rural areas were slowly being emptied of their people and their promise, and that we should work to reverse this picture by including rural America in a nationwide program to foster balanced growth.

It is striking to realize that even if we had a population of one billion—nearly five times the current level—our area is so great that we would still not be as densely populated as many European nations are at present. Clearly, our problems are not so much those of numbers as they are of distribution. We must work to revitalize the American countryside.

We have begun to make progress on this front in the last 3 years. Rural housing programs have been increased by more than 450 percent from 1969 to 1973. The number of families benefiting from rural water and sewer programs is now 75 percent greater than it was in 1969. We have worked to encourage sensible growth patterns through the location of Federal facilities. The first biennial Report on National Growth, which will be released in the near future, will further describe these patterns, their policy implications and the many ways we are responding to this challenge.

But we must do more. The Congress can begin by passing my \$1.1 billion program of Special Revenue Sharing for Rural Community Development. In addition, I will soon present a major proposal to expand significantly the credit authorities of the Farmers Home Administration, so that this Agency—which has done so much to help individual farmers—can also help spur commercial, industrial and community development in rural America. Hopefully, the FHA will be able to undertake this work as a part of a new Department of Community Development.

In all these ways, we can help insure that rural America will be in the years ahead what it has been from our Nation's beginning—an area which looks eagerly to the future with a sense of hope and promise.

A COMMITMENT TO OUR CITIES

Our commitment to balanced growth also requires a commitment to our cities—to old cities threatened by decay, to suburbs now sprawling senselessly because of inadequate planning, and to new cities not yet born but clearly needed by our growing population. I discussed these challenges in my special message to the Congress on Population Growth and the American Future in the summer of 1969—and I have often discussed them since. My recommendations for transportation, education, health, welfare, revenue sharing, planning and management assistance, executive reorganization, the environment—especially the proposed Land Use Policy Act—and my proposals in many other areas

touch directly on community development.

One of the keys to better cities is better coordination of these many components. Two of my pending proposals go straight to the heart of this challenge. The first, a new Department of Community Development, would provide a single point of focus for our strategy for growth. The second, Special Revenue Sharing for Urban Community Development, would remove the rigidities of categorical project grants which now do so much to fragment planning, delay action, and discourage local responsibility. My new budget proposes a \$300 million increase over the full year level which we proposed for this program a year ago.

The Department of Housing and Urban Development has been working to foster orderly growth in our cities in a number of additional ways. A Planned Variation concept has been introduced into the Model Cities program which gives localities more control over their own future. HUD's own programs have been considerably decentralized. The New Communities Program has moved forward and seven projects have received final approval. The Department's efforts to expand mortgage capital, to more than double the level of subsidized housing, and to encourage new and more efficient building techniques through programs like Operation Breakthrough have all contributed to our record level of housing starts. Still more can be done if the Congress enacts the administration's Housing Consolidation and Simplification Act, proposed in 1970.

The Federal Government is only one of many influences on development patterns across our land. Nevertheless, its influence is considerable. We must do all we can to see that its influence is good.

IMPROVING TRANSPORTATION

Although the executive branch and the Congress have been led by different parties during the last 3 years, we have cooperated with particular effectiveness in the field of transportation. Together we have shaped the Urban Mass Transportation Assistance Act of 1970—a 12-year, \$10 billion effort to expand and improve our common carriers and thus make our cities more livable. We have brought into effect a 10-year, \$3 billion ship construction program as well as increased research efforts and a modified program of operating subsidies to revamp our merchant marine. We have accelerated efforts to improve air travel under the new Airport and Airway Trust Fund and have been working in fresh ways to save and improve our railway passenger service. Great progress has also been made in promoting transportation safety and we have moved effectively against cargo thefts and skyjacking.

I hope this strong record will be even stronger by the time the 92nd Congress adjourns. I hope that our Special Revenue Sharing program for transportation will by then be a reality—so that cities and States can make better long-range plans with greater freedom to achieve their own proper balance among the many modes of transportation. I hope, too, that our recommendations for revitalizing surface freight transporta-

tion will by then be accepted, including measures both to modernize railway equipment and operations and to update regulatory practices. By encouraging competition, flexibility and efficiency among freight carriers, these steps could save the American people billions of dollars in freight costs every year, helping to curb inflation, expand employment and improve our balance of trade.

One of our most damaging and perplexing economic problems is that of massive and prolonged transportation strikes. There is no reason why the public should be the helpless victim of such strikes—but this is frequently what happens. The dock strike, for example, has been extremely costly for the American people, particularly for the farmer for whom a whole year's income can hinge on how promptly he can move his goods. Last year's railroad strike also dealt a severe blow to our economy.

Both of these emergencies could have been met far more effectively if the Congress had enacted my Emergency Public Interest Protection Act, which I proposed in February of 1970. By passing this legislation in this session, the Congress can give us the permanent machinery so badly needed for resolving future disputes.

Historically, our transportation systems have provided the cutting edge for our development. Now, to keep our country from falling behind the times, we must keep well ahead of events in our transportation planning. This is why we are placing more emphasis and spending more money this year on transportation research and development. For this reason, too, I will propose a 65 percent increase—to the \$1 billion level—in our budget for mass transportation. Highway building has been our first priority—and our greatest success story—in the past two decades. Now we must write a similar success story for mass transportation in the 1970's.

PEACE AT HOME: FIGHTING CRIME

Our quest for peace abroad over the last 3 years has been accompanied by an intensive quest for peace at home. And our success in stabilizing developments on the international scene has been matched by a growing sense of stability in America. Civil disorders no longer engulf our cities. Colleges and universities have again become places of learning. And while crime is still increasing, the rate of increase has slowed to a 5-year low. In the one city for which the Federal Government has a special responsibility—Washington, D.C.—the picture is even brighter, for here serious crime actually fell by 13 percent in the last year. Washington was one of 52 major cities which recorded a net reduction in crime in the first 9 months of 1971, compared to 23 major cities which made comparable progress a year earlier.

This encouraging beginning is not something that has just happened by itself—I believe it results directly from strong new crime fighting efforts by this administration, by the Congress, and by State and local governments.

Federal expenditures on crime have increased 200 percent since 1969 and we are proposing another 18 percent in-

crease in our new budget. The Organized Crime Control Act of 1970, the District of Columbia Court Reform Act, and the Omnibus Crime Control Act of 1970 have all provided new instruments for this important battle. So has our effort to expand the Federal strike force program as a weapon against organized crime. Late last year we held the first National Conference on Corrections—and we will continue to move forward in this most critical field. I will also propose legislation to improve our juvenile delinquency prevention programs. And I again urge action on my Special Revenue Sharing proposal for law enforcement.

By continuing our stepped-up assistance to local law enforcement authorities through the Law Enforcement Assistance Administration, by continuing to press for improved courts and correctional institutions, by continuing our intensified war on drug abuse, and by continuing to give vigorous support to the principles of order and respect for law, I believe that what has been achieved in the Nation's Capital can be achieved in a growing number of other communities throughout the Nation.

COMBATING DRUG ABUSE

A problem of modern life which is of deepest concern to most Americans—and of particular anguish to many—is that of drug abuse. For increasing dependence on drugs will surely sap our Nation's strength and destroy our Nation's character.

Meeting this challenge is not a task for government alone. I have been heartened by the efforts of millions of individual Americans from all walks of life who are trying to communicate across the barriers created by drug use, to reach out with compassion to those who have become drug dependent. The Federal Government will continue to lead in this effort. The last 3 years have seen an increase of nearly 600 percent in Federal expenditures for treatment and rehabilitation and an increase of more than 500 percent in program levels for research, education and training. I will propose further substantial increases for these programs in the coming year.

In order to develop a national strategy for this effort and to coordinate activities which are spread through nine Federal agencies, I asked Congress last June to create a Special Action Office for Drug Abuse Prevention. I also established an interim Office by Executive order, and that unit is beginning to have an impact. But now we must have both the legislative authority and the funds I requested if this Office is to move ahead with its critical mission.

On another front, the United States will continue to press for a strong collective effort by nations throughout the world to eliminate drugs at their source. And we will intensify the worldwide attack on drug smugglers and all who protect them. The Cabinet Committee on International Narcotics Control—which I created last September—is coordinating our diplomatic and law enforcement efforts in this area.

We will also step up our program to curb illicit drug traffic at our borders and within our country. Over the last 3 years Federal expenditures for this work have

more than doubled, and I will propose a further funding increase next year. In addition, I will soon initiate a major new program to drive drug traffickers and pushers off the streets of America. This program will be built around a nationwide network of investigative and prosecutive units, utilizing special grand juries established under the Organized Crime Control Act of 1970, to assist State and local agencies in detecting, arresting, and convicting those who would profit from the misery of others.

STRENGTHENING CONSUMER PROTECTION

Our plans for 1972 include further steps to protect consumers against hazardous food and drugs and other dangerous products. These efforts will carry forward the campaign I launched in 1969 to establish a "Buyer's Bill of Rights" and to strengthen consumer protection. As a part of that campaign, we have established a new Office of Consumer Affairs, directed by my Special Assistant for Consumer Affairs, to give consumers greater access to Government, to promote consumer education, to encourage voluntary efforts by business, to work with State and local governments, and to help the Federal Government improve its consumer-related activities. We have also established a new Consumer Product Information Coordinating Center in the General Services Administration to help us share a wider range of Federal research and buying expertise with the public.

But many of our plans in this field still await congressional action, including measures to insure product safety, to fight consumer fraud, to require full disclosure in warranties and guarantees, and to protect against unsafe medical devices.

REFORMING AND RENEWING EDUCATION

It was nearly 2 years ago, in March of 1970, that I presented my major proposals for reform and renewal in education. These proposals included student assistance measures to insure that no qualified person would be barred from college by a lack of money, a National Institute of Education to bring new energy and new direction to educational research, and a National Foundation for Higher Education to encourage innovation in learning beyond high school. These initiatives are still awaiting final action by the Congress. They deserve prompt approval.

I would also underscore my continuing confidence that Special Revenue Sharing for Education can do much to strengthen the backbone of our educational system, our public elementary and secondary schools. Special Revenue Sharing recognizes the Nation's interest in their improvement without compromising the principle of local control. I also call again for the enactment of my \$1.5 billion program of Emergency School Aid to help local school districts desegregate wisely and well. This program has twice been approved by the House and once by the Senate in different versions. I hope the Senate will now send the legislation promptly to the conference committee so that an agreement can be reached on this important measure at an early date.

This bill is designed to help local school districts with the problems incident to

desegregation. We must have an end to the dual school system, as conscience and the Constitution both require—and we must also have good schools. In this connection, I repeat my own firm belief that educational quality—so vital to the future of all of our children—is not enhanced by unnecessary busing for the sole purpose of achieving an arbitrary racial balance.

FINANCING OUR SCHOOLS

I particularly hope that 1972 will be a year in which we resolve one of the most critical questions we face in education today: how best to finance our schools.

In recent years the growing scope and rising costs of education have so overburdened local revenues that financial crisis has become a way of life in many school districts. As a result, neither the benefits nor the burdens of education have been equitably distributed.

The brunt of the growing pressures has fallen on the property tax—one of the most inequitable and regressive of all public levies. Property taxes in the United States represent a higher proportion of public income than in almost any other nation. They have more than doubled in the last decade and have been particularly burdensome for our lower and middle income families and for older Americans.

These intolerable pressures—on the property tax and on our schools—led me to establish the President's Commission on School Finance in March of 1970. I charged this Commission with the responsibility to review comprehensively both the revenue needs and the revenue resources of public and nonpublic elementary and secondary education. The Commission will make its final report to me in March.

At the same time, the Domestic Council—and particularly the Secretaries of the Treasury and of Health, Education, and Welfare—have also been studying this difficult and tangled problem. The entire question has been given even greater urgency by recent court decisions in California, Minnesota, and Texas, which have held the conventional method of financing schools through local property taxes discriminatory and unconstitutional. Similar court actions are pending in more than half of our States. While these cases have not yet been reviewed by the Supreme Court, we cannot ignore the serious questions they have raised for our States, for our local school districts, and for the entire Nation.

The overhaul of school finance involves two complex and interrelated sets of problems: those concerning support of the schools themselves, and also the basic relationships of Federal, State, and local governments in any program of tax reform.

We have been developing a set of comprehensive proposals to deal with these questions. Under the leadership of the Secretary of the Treasury, we are carefully reviewing the tax aspects of these proposals; and I have this week enlisted the Advisory Commission on Intergovernmental Relations in addressing the intergovernmental relations aspects. Members of the Congress and of the executive branch, Governors, State legislators, local officials, and private citizens comprise this group.

Later in the year, after I have received the reports of both the President's Commission on School Finance and the Advisory Council on Intergovernmental Relations, I shall make my final recommendations for relieving the burden of property taxes and providing both fair and adequate financing for our children's education—consistent with the principle of preserving the control by local school boards over local schools.

A NEW EMPHASIS ON CAREER EDUCATION

Career education is another area of major new emphasis, an emphasis which grows out of my belief that our schools should be doing more to build self-reliance and self-sufficiency, to prepare students for a productive and fulfilling life. Too often, this has not been happening. Too many of our students, from all income groups, have been "turning off" or "turning out" on their educational experiences. And—whether they drop out of school or proceed on to college—too many young people find themselves unmotivated and ill equipped for a rewarding social role. Many other Americans, who have already entered the world of work, find that they are dissatisfied with their jobs but feel that it is too late to change directions, that they already are "locked in."

One reason for this situation is the inflexibility of our educational system, including the fact that it so rigidly separates academic and vocational curricula. Too often vocational education is foolishly stigmatized as being less desirable than academic preparation. And too often the academic curriculum offers very little preparation for viable careers. Most students are unable to combine the most valuable features of both vocational and academic education; once they have chosen one curriculum, it is difficult to move to the other.

The present approach serves the best interests of neither our students nor our society. The unhappy result is high numbers of able people who are unemployed, underemployed, or unhappily employed on the one hand—while many challenging jobs go begging on the other.

We need a new approach, and I believe the best new approach is to strengthen career education.

Career education provides people of all ages with broader exposure to and better preparation for the world of work. It not only helps the young, but also provides adults with an opportunity to adapt their skills to changing needs, changing technology, and their own changing interests. It would not prematurely force an individual into a specific area of work but would expand his ability to choose wisely from a wider range of options. Neither would it result in a slighting of academic preparation, which would remain a central part of the educational blend.

Career Education is not a single specific program. It is more usefully thought of as a goal—and one that we can pursue through many methods. What we need today is a nationwide search for such methods—a search which involves every area of education and every level of government. To help spark this venture, I will propose an intensified Federal effort

to develop model programs which apply and test the best ideas in this field.

There is no more disconcerting waste than the waste of human potential. And there is no better investment than an investment in human fulfillment. Career Education can help make education and training more meaningful for the student, more rewarding for the teacher, more available to the adult, more relevant for the disadvantaged, and more productive for our country.

MANPOWER PROGRAMS: TAPPING OUR FULL POTENTIAL

Our trillion dollar economy rests in the final analysis on our 88 million member labor force. How well that force is used today, how well that force is prepared for tomorrow—these are central questions for our country.

They are particularly important questions in a time of stiff economic challenge and burgeoning economic opportunity. At such a time, we must find better ways to tap the full potential of every citizen.

This means doing all we can to open new education and employment opportunities for members of minority groups. It means a stronger effort to help the veteran find useful and satisfying work and to tap the enormous talents of the elderly. It means helping women—in whatever role they choose—to realize their full potential. It also means caring for the unemployed—sustaining them, retraining them and helping them find new employment.

This administration has grappled directly with these assignments. We began by completely revamping the Manpower Administration in the Department of Labor. We have expanded our manpower programs to record levels. We proposed—and the Congress enacted—a massive reform of unemployment insurance, adding 9 million workers to the system and expanding the size and duration of benefits. We instituted a Job Bank to match jobs with available workers. The efforts of the National Alliance of Businessmen to train and hire the hard-core unemployed were given a new nationwide focus. That organization has also joined with our Jobs for Veterans program in finding employment for returning servicemen. We have worked to open more jobs for women. Through the Philadelphia Plan and other actions, we have expanded equal opportunity in employment for members of minority groups. Summer jobs for disadvantaged youths went up by one-third last summer. And on July 12 of last year I signed the Emergency Employment Act of 1971, providing more than 130,000 jobs in the public sector.

In the manpower field, as in others, there is also an important unfinished agenda. At the top of this list is my Special Revenue Sharing program for manpower—a bill which would provide more Federal dollars for manpower training while increasing substantially the impact of each dollar by allowing States and cities to tailor training to local labor conditions. My welfare reform proposals are also pertinent in this context, since they are built around the goal of moving people from welfare rolls to payrolls. To help in this effort, H.R.

1 would provide transitional opportunities in community service employment for another 200,000 persons. The Career Education program can also have an important long-range influence on the way we use our manpower. And so can a major new thrust which I am announcing today to stimulate more imaginative use of America's great strength in science and technology.

MARSHALING SCIENCE AND TECHNOLOGY

As we work to build a more productive, more competitive, more prosperous America, we will do well to remember the keys to our progress in the past. There have been many, including the competitive nature of our free enterprise system; the energy of our working men and women; and the abundant gifts of nature. One other quality which has always been a key to progress is our special bent for technology, our singular ability to harness the discoveries of science in the service of man.

At least from the time of Benjamin Franklin, American ingenuity has enjoyed a wide international reputation. We have been known as a people who could "build a better mousetrap"—and this capacity has been one important reason for both our domestic prosperity and our international strength.

In recent years, America has focused a large share of its technological energy on projects for defense and for space. These projects have had great value. Defense technology has helped us preserve our freedom and protect the peace. Space technology has enabled us to share unparalleled adventures and to lift our sights beyond earth's bounds. The daily life of the average man has also been improved by much of our defense and space research—for example, by work on radar, jet engines, nuclear reactors, communications and weather satellites, and computers. Defense and space projects have also enabled us to build and maintain our general technological capacity, which—as a result—can now be more readily applied to civilian purposes.

America must continue with strong and sensible programs of research and development for defense and for space. I have felt for some time, however, that we should also be doing more to apply our scientific and technological genius directly to domestic opportunities. Toward this end, I have already increased our civilian research and development budget by more than 40 percent since 1969 and have directed the National Science Foundation to give more attention to this area.

I have also reoriented our space program so that it will have even greater domestic benefits. As a part of this effort, I recently announced support for the development of a new earth orbital vehicle that promises to introduce a new era in space research. This vehicle, the space shuttle, is one that can be recovered and used again and again, lowering significantly both the cost and the risk of space operations. The space shuttle would also open new opportunities in fields such as weather forecasting, domestic and international communications, the monitoring of natural resources, and air traffic safety.

The space shuttle is a wise national investment. I urge the Congress to approve this plan so that we can realize these substantial economies and these substantial benefits.

Over the last several months, this administration has undertaken a major review of both the problems and the opportunities for American technology. Leading scientists and researchers from our universities and from industry have contributed to this study. One important conclusion we have reached is that much more needs to be known about the process of stimulating and applying research and development. In some cases, for example, the barriers to progress are financial. In others they are technical. In still other instances, customs, habits, laws, and regulations are the chief obstacles. We need to learn more about all these considerations—and we intend to do so. One immediate step in this effort will be the White House Conference on the Industrial World Ahead which will convene next month and will devote considerable attention to research and development questions.

But while our knowledge in this field is still modest, there are nevertheless a number of important new steps which we can take at this time. I will soon present specific recommendations for such steps in a special message to the Congress. Among these proposals will be an increase next year of \$700 million in civilian research and development spending, a 15 percent increase over last year's level and a 65 percent increase over 1969. We will place new emphasis on cooperation with private research and development, including new experimental programs for cost sharing and for technology transfers from the public to the private sector. Our program will include special incentives for smaller high technology firms, which have an excellent record of cost effectiveness.

In addition, our Federal agencies which are highly oriented toward technology—such as the Atomic Energy Commission and the National Aeronautics and Space Administration—will work more closely with agencies which have a primary social mission. For example, our outstanding capabilities in space technology should be used to help the Department of Transportation develop better mass transportation systems. As has been said so often in the last 2 years, a nation that can send three people across 240,000 miles of space to the moon should also be able to send 240,000 people 3 miles across a city to work.

Finally, we will seek to set clear and intelligent targets for research and development, so that our resources can be focused on projects where an extra effort is most likely to produce a breakthrough and where the breakthrough is most likely to make a difference in our lives. Our initial efforts will include new or accelerated activities aimed at:

- creating new sources of clean and abundant energy;
- developing safe, fast, pollution-free transportation;
- reducing the loss of life and property from earthquakes, hurricanes and other natural disasters;

—developing effective emergency health care systems which could lead to the saving of as many as 30,000 lives each year;

—finding new ways to curb drug traffic and rehabilitate drug users.

And these are only the beginning.

I cannot predict exactly where each of these new thrusts will eventually lead us in the years ahead. But I can say with assurance that the program I have outlined will open new employment opportunities for American workers, increase the productivity of the American economy, and expand foreign markets for American goods. I can also predict with confidence that this program will enhance our standard of living and improve the quality of our lives.

Science and technology represent an enormous power in our life—and a unique opportunity. It is now for us to decide whether we will waste these magnificent energies—or whether we will use them to create a better world for ourselves and for our children.

A GROWING AGENDA FOR ACTION

The danger in presenting any substantial statement of concerns and requests is that any subject which is omitted from the list may for that reason be regarded as unimportant. I hope the Congress will vigorously resist any such suggestions, for there are many other important proposals before the House and the Senate which also deserve attention and enactment.

I think, for example, of our program for the District of Columbia. In addition to proposals already before the Congress, I will soon submit additional legislation outlining a special balanced program of physical and social development for the Nation's Capital as part of our Bicentennial celebration. In this and other ways, we can make that celebration both a fitting commemoration of our revolutionary origins and a bold further step to fulfill their promise.

I think, too, of our program to help small businessmen, of our proposals concerning communications, of our recommendations involving the construction of public buildings, and of our program for the arts and humanities—where the proposed new budget is 6 times the level of 3 years ago.

In all, some 90 pieces of major legislation which I have recommended to the Congress still await action. And that list is growing longer. It is now for the Congress to decide whether this agenda represents the beginning of new progress for America—or simply another false start.

THE NEED FOR REASON AND REALISM

I have covered many subjects in this message. Clearly, our challenges are many and complex. But that is the way things must be for responsible government in our diverse and complicated world.

We can choose, of course, to retreat from this world, pretending that our problems can be solved merely by trusting in a new philosophy, a single personality, or a simple formula. But such a retreat can only add to our difficulties and our disillusion.

If we are to be equal to the complexity of our times we must learn to move on

many fronts and to keep many commitments. We must learn to reckon our success not by how much we start but by how much we finish. We must learn to be tenacious. We must learn to persevere.

If we are to master our moment, we must first be masters of ourselves. We must respond to the call which has been a central theme of this message—the call to reason and to realism.

To meet the challenge of complexity we must also learn to disperse and decentralize power—at home and abroad—allowing more people in more places to release their creative energies. We must remember that the greatest resource for good in this world is the power of the people themselves—not moving in lockstep to the commands of the few—but providing their own discipline and discovering their own destiny.

Above all, we must not lose our capacity to dream, to see, amid the realities of today, the possibilities for tomorrow. And then—if we believe in our dreams—we also must wake up and work for them.

RICHARD NIXON.

THE WHITE HOUSE, January 20, 1972.

At 1 o'clock and 3 minutes p.m., the President of the United States, accompanied by the committee of escort, retired from the Hall of the House of Representatives.

The Doorkeeper escorted the invited guests from the Chamber in the following order:

The members of the President's Cabinet.

The Chief Justice of the United States and the Associate Justices of the Supreme Court.

The ambassadors, ministers, and chargés d'affaires of foreign governments.

JOINT SESSION DISSOLVED

The SPEAKER. The Chair declares the joint session of the two Houses now dissolved.

Accordingly, at 1 o'clock and 8 minutes p.m., the joint session of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

RECESS

The SPEAKER. The House will stand in recess until 2:15 p.m. today.

Accordingly (at 1 o'clock and 8 minutes p.m.), the House stood in recess until 2:15 p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 2 o'clock and 15 minutes p.m.

REFERENCE OF PRESIDENT'S MESSAGE

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the message of the President be referred to the Committee of the Whole House on the State of the Union and ordered printed.

The SPEAKER. Is there objection to

the request of the gentleman from Louisiana?

There was no objection.

REQUEST TO AUTHORIZE CALL OF CONSENT CALENDAR AND MOTIONS TO SUSPEND THE RULES ON MONDAY, JANUARY 24

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar under clause 4, rule XIII, and the authority for the Speaker to entertain motions to suspend the rules under clause 1, rule XXVII, be made in order on Monday, January 24, 1972.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. HALL. Mr. Speaker, reserving the right to object, may I ask the distinguished majority leader if the intent of his unanimous-consent request is to make in order five suspensions on Monday, January 24, including H.R. 6730, the Land and Water Conservation Fund Act amendment?

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. HALL. I am glad to yield to the gentleman from Louisiana.

Mr. BOGGS. I intend to announce the program in just a moment. There are five suspensions on the proposed program for Monday.

Mr. HALL. I repeat my question, Mr. Speaker, under the reservation: Is the intent of the gentleman's current unanimous-consent request before the House, to make those suspensions in order on Monday next?

Mr. BOGGS. The gentleman is correct.

Mr. HALL. Mr. Speaker, continuing to reserve the right to object, this next Monday is not a regular—first and third Monday—consent and/or suspension of the rules day. Also, there are some controversial bills, but I mainly wonder if the distinguished majority leader could clarify for us whether or not this is a harbinger of things to come during the rest of the session; where we suspend the rules and/or waive points of order and/or are we going to eliminate the legislative process and go right to appropriations so we can carry out a short session and provide an extensive number of recesses?

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. HALL. I am glad to yield to the gentleman from Louisiana.

Mr. BOGGS. These bills are ready, and it is the intent of the leadership to call them up for consideration. If the bills are controversial, a two-thirds vote is required to pass them, and if there is any great amount of controversy, they will not pass.

Mr. HALL. Mr. Speaker, I thoroughly understand the rules of the House and the voting on suspensions.

I object.

The SPEAKER. Objection is heard.

LEGISLATIVE PROGRAM FOR WEEK OF JANUARY 24

(Mr. ANDERSON of Illinois asked and was given permission to address the

House for 1 minute.)

Mr. ANDERSON of Illinois. Mr. Speaker, I asked for this time to inquire of the distinguished majority leader if he is in a position to inform us of the program for next week and also if he has any announcements to make with respect to a holiday schedule for the coming session.

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Louisiana.

Mr. BOGGS. In response to the distinguished gentleman from Illinois, the program for next week is as follows:

Monday is District day. There are no bills scheduled.

The suspensions which we expected to call up will not be called up. We will consider a resolution permitting a photograph of the House while in session, House Resolution 761.

Tuesday we will consider S. 2819, the foreign assistance authorization conference report.

For Wednesday and the balance of the week, the program is as follows:

The beginning of the session on Wednesday will be taken up with the official photograph of the House of Representatives.

We will then proceed to consider H.R. 6957, the Sawtooth Recreation Area, Idaho, under an open rule with 1 hour of debate.

H.R. 8085, age requirements for civil service applicants, under an open rule, with 1 hour of debate.

Conference reports may be called up at any time and any further program will be announced later.

Mr. Speaker, will the gentleman yield further?

Mr. ANDERSON of Illinois. I yield to the gentleman from Louisiana.

Mr. BOGGS. In order to keep the Members informed and in order to inform them as soon as possible about the schedule for this second session of the 92d Congress, the leadership on both sides of the aisle met earlier this week and worked out the following schedule for this session:

Lincoln's Birthday, Saturday, February 12—from the close of business on Wednesday, February 9, until noon, Wednesday, February 16.

Washington's Birthday, Monday, Address only.

Easter, Sunday, April 2—from the close of business Wednesday, March 29, until noon, Monday, April 10.

Memorial Day, Monday, May 29—from the close of business Thursday, May 25, until noon, Tuesday, May 30.

Fourth of July, Tuesday, July 4—from the close of business Friday, June 30, until noon, Monday, July 17, Democratic Convention.

It is our hope that we will conclude the business of this session by Friday, August 18, of this year, prior to the meeting of the Republican National Convention. If this is not possible, we will adjourn for Labor Day from the close of business on August 18 until noon on September 5.

In addition, I would like to say it is the intention of the leadership to call

the House in session on the first and third Fridays of each month if there is legislation scheduled. These Fridays are: February 4 and February 18; March 3 and March 17; April 21; May 5 and May 19; June 2 and June 16; July 21; and August 4 and August 18.

Mr. ANDERSON of Illinois. I thank the distinguished majority leader.

ADJOURNMENT OVER TO MONDAY, JANUARY 24

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNES- DAY NEXT

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED RE- PORTS

Mr. BOGGS. Mr. Speaker, on behalf of the chairman of the Rules Committee, Mr. COLMER, and Mr. YOUNG of that committee, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file two privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON PUBLIC WORKS

The SPEAKER laid before the House the following communication from the chairman of the Committee on Public Works; which was referred to the Committee on Appropriations:

WASHINGTON, D.C.,
January 7, 1972.

HON. CARL ALBERT,
Speaker of the House,
Washington, D.C.

MY DEAR MR. SPEAKER: The House Committee on Public Works approved on December 16, 1971, an amendment to the prospectus for the proposed lease of a building to house the Social Security Administration's Payment Center and the Department of the Treasury's Disbursing Office at Birmingham, Alabama.

Sincerely yours,

JOHN A. BLATNIK,
Chairman.

HANDLING OF MILITARY CARGO

(Mr. BURTON asked and was given permission to address the House for 1

minute, to revise and extend his remarks and include extraneous matter.)

Mr. BURTON. Mr. Speaker, I should like to place in the Record at this time the text of what purports to be a memorandum circulated by the Pacific Maritime Association. A reading of the memorandum indicates that the Pacific Maritime Association refused to offer vessels for the handling of military cargo. It also appears to be obvious that they did this as an economic gambit in an attempt to bring the Defense Department into exerting pressure to decide by Federal action the collective bargaining differences that exist between the Pacific Maritime Association and the International Longshoremen's & Warehousemen's Union.

These conclusions are supported and verified by news reports which appeared in this morning's San Francisco Chronicle and the Washington Post. The chairman of the Pacific Maritime Association is quoted as saying that the refusal to accept new commitments for military cargo has been canceled. According to the chairman, the change in PMA policy was the result of a direct request from the Department of Defense in which the Department asserted that the PMA embargo would "seriously jeopardize the movement of defense cargo to the western Pacific."

Thus, Mr. Speaker, it is established that the Pacific Maritime Association did attempt to use the Nation's military needs without regard for our national interests, as a tool for achieving their own ends and purposes. This was done despite information I have received to the effect that the union offered to return to work on January 17 if any settlement eventually agreed upon was made retroactive to November 14, 1971. I am informed this offer was not accepted.

I have consistently opposed Federal intervention into free collective bargaining and I am deeply disturbed that we should find the Pacific Maritime Association seemingly attempting to manufacture an emotional situation with the hope it would create pressures for Federal intervention and permit them to accomplish by this means that which they seemed unable to accomplish in free and open collective bargaining.

I place the text of the purported memorandum in the Record at this time with the note to those who might try this gambit, that the public will not be so easily misled:

JANUARY 17, 1972.

To: Area managers.
From: B. H. Goodenough.

Following the conclusion of negotiations November 14, 1971, this a.m. PMA Executive Committee met and established the following policy in regard to handling of military cargo. Military commitments for this week were made last week. Therefore, any ship that was committed or is partially loaded shall be allowed to finish and sail. Discharge operations on military cargo now in progress shall be permitted to finish.

No new commitments for military cargo are to be made for next week. If offers have been made they shall be withdrawn at once. The following American Flag steamship companies, members of PMA, have all been notified by telephone prior to noon today of this policy: American Mail Line, APL, PFE, States, States Marine, U.S. Lines, Sea-Land, Seatrain and Matson. Vessels time

chartered to the military and vessels of the nucleus fleet cannot be controlled by PMA and will be worked by contracting stevedores who have contracts with the military.

Member foreign line companies will not tender space to the military and will not respond favorably if requested to tender space. There is no effective control on non-member foreign lines. However, if member stevedores can avoid handling nonmember foreign vessels without breaching military contracts they should do so.

Please advise all member companies in your area of the foregoing this afternoon by whatever means best suits your local situation. Advise me by teletype when all companies have been so advised. Wherever a member company in your area has a teletype the above message should also be teletyped to them.

A HOMESTEAD PATENT FOR RUSSELL G. WELLS

(Mr. RONCALIO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, today I am introducing legislation which would authorize the Secretary of the Interior to convey certain lands in Wyoming. This proposal is in behalf of Mr. Russell G. Wells of Converse County, Wyo., who filed on these lands nearly 40 years ago, and spent the past decade trying to reinstate, establish, and prove up his homestead north of Douglas.

Russell G. Wells commenced his homestead in 1934 near Bill, Wyo. Because of the depression and drought he was unable to make a living off the homestead so he went into the Civilian Conservation Corps camp and later joined the U.S. Navy in the late 1930's. Mr. Wells served on active duty in the combat areas of the South Pacific during World War II and in Korean waters during that conflict. In 1957, he was retired and transferred to the Naval Reserve where he remains today.

In 1951, the Bureau of Land Management canceled Mr. Wells' homestead entries claiming that he failed to keep them notified of his whereabouts. It later turned out that Russell Wells was on a secret duty in Korean waters and was unable to even advise his own family of his whereabouts. When the entries were canceled in 1951 the lands in question were taken up for leasing under section 15 of the Taylor Act and have continued—even to this date—to be leased to a third party to the exclusion of the homesteader. Due to leasing, some of the fence improvements of the homestead were moved or torn down, and grazing livestock did some damage to the homesteader's cabin.

This leasing, naturally, caused Mr. Wells some difficulty in his proof. Yet, in spite of these difficulties, he has been successful in meeting the residence requirements and the cost of valuable improvements required by the Homesteader Law. After 1965 hearings, the BLM Director in Washington reversed the earlier cancellation decision of the Cheyenne Land Office, and admitted error in canceling his entries.

There are two issues remaining: First, whether or not the homesteader's cabin was "habitable" on July 8, 1966—the date

of submitting final proof; and second, whether or not the homesteader's cabin is located exactly on the entry lands, and, if not, the significance thereof.

It is a fact that Russell Wells' cabin is not luxurious; few desert cabins are; it was put there in 1934 as a homesteader's shack and has naturally deteriorated over the years. However, in the hearing record Mr. Wells and three witnesses stated that the cabin is habitable.

As to whether or not the cabin is on the entry lands, the controlling question should be the good faith of the homesteader in placing the cabin where it is, believing it to be on the entry lands. The Government has never questioned Mr. Wells' good faith in locating the cabin where he did. It may be that the cabin is not on the entry lands by possibly as far as 1,600 feet, for the custom in 1934 in the area was to establish locations as nearly as possible using existing fences and other markers, some of which were incorrect. However, Mr. Wells placed his cabin in good faith, believing it to be on his lands.

In view of the establishment by Mr. Russell G. Wells of all the other requirements of the Homestead Law and his excellent record of service to this Nation, I feel the Secretary of the Interior should convey these lands to Mr. Wells. The land involved is plain, old Wyoming dry desert sagebrush land—no water—except the wells and dikes placed on it by the homesteader—the lands are situated 65 miles from the nearest town, and contain no known mineral value—mineral right would anyway be reserved by the Government in the patents issued as provided by law. The value of the 639.52 acres involved would total approximately \$6,400.

I am hopeful the Congress will see fit to act on this matter, and that it can be dispensed with equitably and promptly.

PROPOSED LEGISLATION DEALING WITH LABOR RELATIONS

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

Mr. THOMPSON of New Jersey. Mr. Speaker, as we enter the 37th year of the operation of the National Labor Relations Act, I think most of us can agree that on the whole that act has brought industrial peace to the private employment sector. Except for occasional prolonged disputes such as the current longshoremen's strike, tens of thousands of collective bargaining relationships are established or renewed annually in this country with a minimum of acrimony and disruption.

State and local government employees were excluded from the protections and restraints of the NLRA when it was first passed in 1935. What is the state of labor relations in the public employment sector now?

Rather than the stable and long-established collective bargaining patterns which exist in the private sector, we find increasing employee militancy, a tremendous growth in public employee unions, a spiraling wave of strikes which

have seriously inconvenienced the public and, as a framework for bringing reason and order to this explosive growth situation, a crazy-quilt patterns of State laws which range from the progressive to the reactionary.

The time will come when the absence of a solid legal framework for resolving public employment labor disputes will produce such widespread instability, that we in the Congress may well be forced to impose such a legal framework.

I am not sure what kind of framework there should be, or whether it should be a Federal one. But I am sure that we must find an answer to this question: How do we alleviate the problem of strikes which may seriously affect essential public services, while at the same time guaranteeing to public employees the rights of organization and free collective bargaining?

As a beginning to the task of finding an answer, I am today announcing that March 1 the Special Subcommittee on Labor will begin public hearings on labor relations in the public sector.

We will be considering three different bills. The first is H.R. 7684, introduced by Representative CLAY, of Missouri, and others, which proposes Federal regulation of public employment labor relations through creation of a new National Public Employee Relations Commission. The second is H.R. 9324, introduced by Mr. HAWKINS of California, which proposes Federal regulation of employment relations in public schools through a new Professional Education Employee Relations Commission. The third is a bill I am introducing today which would bring public employees under the provisions of the National Labor Relations Act. I am introducing this bill to give the subcommittee and the Congress an additional alternative to help us focus more sharply on the issues involved.

We will thus be considering three options: First, coverage of public employees under our existing law, the NLRA; second, the creation of a separate Federal agency to regulate public employment labor relations; third, leaving the problem to the States, as is the case now.

We will be inviting testimony from a number of individuals and groups representing as many points of view as possible and, of course, we welcome testimony from our colleagues.

MR. O'NEILL WISHING ERNEST PETINAUD A HAPPY BIRTHDAY

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, today marks the 67th birthday of Ernest Petinaud, maitre d' of the House restaurant, and good friend to all in Congress.

Ernest Petinaud has given the Members of Congress 35 years of superb service and has graced the House restaurant with a touch of elegance. He knows every Congressman by sight and hosts the dining room with dignity, constantly striving to please all who frequent the House restaurant.

I have known Ernest for nearly 20

years. He has always shown me and my staff great consideration and courtesy. I can remember many happy moments conversing with Ernest after a weary day of legislative business.

I take this opportunity on his birthday to thank Ernest for his warm greetings and equal service to all Members of Congress who dine in the restaurant and for his graciousness to the hundreds of friends and guests who visit Capitol Hill each year.

I know that all my colleagues in the House join me in wishing Ernest a very happy birthday and extend to him our sincere appreciation for graciousness, congeniality, and friendship.

INCREASES IN MEDICARE COSTS ENCOURAGE INFLATION

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 10 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, the recent January 5 Federal Register contained a notice of premium rates for the supplementary medical insurance for the aged, part B of medicare. I am at this time calling this to the attention of my colleagues, because this voluntary doctor bill insurance program for older people will be increased once again to \$5.80 for the 12-month period beginning July 1, 1972. This announcement did not go unnoticed just because Congress was in recess. I am singling out this increase in medicare costs not only because of its disastrous effects on the already fixed incomes of most senior citizens, but also because of the bad example it is for the rest of the economy during phase II.

While it might have required an act of great statesmanship on the part of the administration to defer this increase affecting 20 million elderly in our Nation, it would have at least shown the administration to have the courage of its convictions and that it really was serious about controlling inflation. With medical costs such an important budget item with every family in this Nation, especially with the elderly, it is difficult to attribute too much credibility to those entrusted with carrying out the spirit of phase II when we witness in 1 month the approval of a 22-percent hike in Blue Cross-Blue Shield insurance costs for Federal employees and a 3.6-percent increase in medicare premiums for our elderly. Medical costs must be included in any price control policies; in tying the amount of the increase to costs of furnishing service before phase I and II went into effect, the administration is committing the classic error of fanning the flames of future inflation by approving cost increases based on a previous period of high inflation. Such calculations obviously contain in themselves the seeds for future inflation and perpetuate the very problem that is under attack. As I said on November 15, the inflation we have been experiencing in this country and its impact, in particular on the elderly, is best grasped from comparing the original premium under part B of medicare back in July of 1966, when it

stood at \$3 and that just announced for July of 1972 of \$5.80—an increase of close to 100 percent in a period of just 6 years.

FEDERAL CIVILIAN EMPLOYMENT, NOVEMBER 1971

(Mr. MAHON asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter and tables.)

Mr. MAHON. Mr. Speaker, I include a release highlighting the November 1971 civilian personnel report of the Joint Committee on Reduction of Federal Expenditures:

FEDERAL CIVILIAN EMPLOYMENT, NOVEMBER 1971

Total civilian employment in the Executive, Legislative and Judicial Branches of the Federal Government in the month of November was 2,868,350 as compared with 2,872,642 in the preceding month of October. This was a net decrease of 4,292.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Federal Expenditures.

EXECUTIVE BRANCH

Civilian employment in the Executive Branch in the month of November totaled 2,828,487. This was a net decrease of 4,581 as compared with employment reported in the preceding month of October. Employment by months in fiscal 1972, which began July 1, 1971, follows:

Month	Employment	Increase	Decrease
July 1971.....	2,903,151	20,157	
August.....	2,809,160		12,991
September.....	2,844,539		45,621
October.....	2,833,068		11,471
November.....	2,828,487		4,581

Total employment in civilian agencies of the Executive Branch for the month of November was 1,695,678, a decrease of 2,514 as compared with the October total of 1,698,192. Total civilian employment in the military agencies in November was 1,132,809, a decrease of 2,067 as compared with 1,134,876 in October.

The civilian agencies of the Executive Branch reporting the largest decreases were Agriculture Department with 3,324, Interior Department with 1,399, General Services Administration with 1,170 and Department of HEW with 1,122. The largest increases were reported by the Postal Service with 3,105 and Veterans Administration with 1,598. These changes were largely seasonal.

In the Department of Defense the largest decrease in civilian employment was reported by the Army with 1,769.

Total Executive Branch employment inside the United States in November was 2,640,271, a decrease of 2,882 as compared with October. Total employment outside the United States in November was 188,216, a decrease of 1,699 as compared with October.

The total of 2,828,487 civilian employees of the Executive Branch reported for the month

of November 1971 includes 2,530,699 full time employees in permanent positions. This represents a decrease of 1,554 in such employment from the preceding month of October. (See table 2 of accompanying report.)

The Executive Branch employment total of 2,828,487 includes some foreign nationals employed abroad, but in addition there were 97,885 foreign nationals working for U.S. agencies overseas during November who were not counted in the usual personnel reports. The number in October was 97,173.

LEGISLATIVE AND JUDICIAL BRANCHES

Employment in the Legislative Branch in the month of November totaled 31,704 an increase of 192 as compared with the preceding month of October. Employment in the Judicial Branch in the month of November totaled 8,159, an increase of 97 as compared with October.

DISADVANTAGED PERSONS

The total of 2,868,350 reported by the Committee for November includes 24,316 disadvantaged persons employed under Federal Opportunity programs, an increase of 890 over the preceding month of October. (See table 4 of accompanying report.)

In addition, Mr. Speaker, I would like to include a tabulation, excerpted from the joint committee report, on personnel employed full time in permanent positions by executive branch agencies during November 1971, showing comparisons with June 1970, June 1971, and the budget estimates for June 1972:

FULL-TIME PERMANENT EMPLOYMENT

Major agencies	June 1970	June 1971	November 1971	Estimated June 30, 1972 ¹	Major agencies	June 1970	June 1971	November 1971	Estimated June 30, 1972 ¹
Agriculture.....	82,912	84,252	84,009	87,300	National Aeronautics and Space Administration.....	31,223	29,478	28,513	28,400
Commerce.....	25,427	28,435	27,929	29,600	Office of Economic Opportunity.....	2,387	2,478	2,073	2,500
Defense:					Panama Canal.....	14,635	13,967	13,982	14,900
Civil functions.....	30,297	30,063	30,401	31,300	Selective Service System.....	6,665	5,569	5,774	6,500
Military functions.....	1,129,642	1,062,741	1,067,031	1,061,600	Small Business Administration.....	4,015	4,004	4,010	4,200
Health, Education, and Welfare.....	102,297	104,283	106,289	102,100	Tennessee Valley Authority.....	12,657	13,612	13,767	13,300
Housing and Urban Development.....	14,661	16,030	15,941	16,700	U.S. Information Agency.....	9,989	9,773	9,634	9,900
Interior.....	59,349	57,570	57,755	59,100	U.S. Postal Service.....	565,618	564,782	563,101	590,500
Justice.....	38,013	42,662	42,566	46,800	Veterans' Administration.....	148,497	158,635	161,033	160,800
Labor.....	10,217	11,352	11,919	12,100	All other agencies.....	27,420	28,838	30,078	31,200
State.....	23,618	23,398	23,110	23,700	Contingencies.....				10,000
Agency for International Development.....	14,486	13,477	13,045	11,100					
Transportation.....	63,879	68,489	68,350	71,900	Total.....	2,552,571	2,520,302	2,528,233	* 2,589,300
Treasury.....	86,020	90,135	92,420	100,400	Public Service Careers (Disadvantaged persons in Federal opportunity programs—see table 4, p. 14).....		1,899	2,466	
Atomic Energy Commission.....	7,033	6,920	6,852	7,000	Total.....	2,552,571	2,522,201	2,530,699	
Civil Service Commission.....	5,214	5,324	5,261	5,900					
Environmental Protection Agency.....		5,959	5,584	8,900					
General Services Administration.....	36,400	38,076	36,805	41,600					

¹ Source: As projected in 1972 budget document; figures rounded to nearest hundred.

² Established as of Dec. 2, 1970, by transfer of functions and personnel from Interior, HEW, Agriculture, Federal Radiation Council and Atomic Energy Commission.

³ Does not reflect Presidential order of Aug. 15, 1971, for 5 percent personnel reduction estimated by the Director of Office of Management and Budget on Sept. 9, 1971, at 100,000 Government-wide, exclusive of the Postal Service.

KANSAS GOVERNOR OPPOSES ATOMIC WASTE PROJECT

(Mr. SKUBITZ asked and was given permission to extend his remarks at this point in the Record.)

Mr. SKUBITZ. Mr. Speaker, I was gratified to learn that Governor Robert Docking in his formal address at the convening of the Kansas State legislature last week urged that every possible step be taken to prevent the Atomic Energy Commission from establishing an atomic waste dump in the State.

Docking said that the AEC has failed to prove the safety of the project and that the proposed waste repository at Lyons should be abandoned. He asked the legislature to join him in making the AEC drop the proposal and look elsewhere than Kansas for a suitable site.

While the State legislature at its last session had before it shortly before adjournment a resolution opposing the location of the waste facility at Lyons, final action could not be taken. The Kansas Governor is now in effect requesting the legislature to formally approve legislation that would reject the waste facility. Docking told the members that his opposition was premised on the formal judgment and advice to him by Kansas scientists including the Kansas State Geological Survey and the Kansas Academy of Science.

Governor Docking explained that his recommendation was premised on protection for the people of Kansas. I have no doubt that in taking the step he now has, he is acting out of a profound knowledge of what the majority of the people

in Kansas feel and believe about the atomic waste facility and its inherent deadly danger for them and their progeny.

SOL ROBINSON RETIRING AS MANAGER OF WLAD

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MONAGAN. Mr. Speaker, Sol Robinson, general manager and vice president of Radio Station WLAD, Danbury, Conn., is a dominant figure in the communications field and a leader in public affairs. I am personally familiar with Mr. Robinson's record of accomplishment in business and in community

programs. I admire his efforts and accomplishments and I consider myself fortunate to have had the benefit of his friendship and counsel for several years.

I have just read a story in the Danbury, Conn., News-Times, by Mac Overmyer, that Sol Robinson is about to retire from his radio activities. But, as Mr. Overmyer relates:

Retirement for Robinson, who is an active member of at least nine local and national civic organizations, is probably a full day's work for most other people.

I am sorry to see Sol relinquish his radio connection if, indeed, he will do so completely, but I, too, am confident that in his retirement he will devote more of his time and just as unselfishly as in the past to public service. In any case, I wish him well.

I include here Mr. Overmyer's article which appeared in the Danbury News-Times on January 11, 1972.

SOL ROBINSON RETIRING AS MANAGER OF WLAD
(By Mac Overmyer)

DANBURY.—After 21 years in the media, Sol Robinson, general manager and vice president of radio station WLAD, is retiring.

He is retiring as well as Sol Robinson is able to retire.

He joined the station as its general manager in 1951 and will be officially stepping out of his office on the fourth floor of the Danbury Motor Inn on March 1. He won't be heard on the air any more after Jan. 20.

"There comes a time in every man's life when he has to make a decision in his later years. I think the time has come. After all I am 63," he said with a smile this morning as he leaned back from his desk.

But retirement for Robinson, who is an active member of at least nine local and national civic organizations, is probably a full day's work for most other people.

In addition to his various duties as a member of these boards, he will remain as a consultant to the radio station and intends to continue writing books.

"My publisher is yelling at me. He wants more stuff," said Robinson. He has published four books—three on communications and one on banking—and is writing a fifth book on technical terminology in the electronic media which he feels will take three years to complete.

Robinson was not born to the radio media but sort of backed into it. Following World War II he began a veterans advisory service in Danbury to counsel returning veterans on their rights and opportunities.

As part of this service, he had a weekly radio broadcast. While in this position, a veteran came to him asking advice for a government loan to start a radio station in Bridgeport.

The veteran did not get the loan but Robinson saw the opportunity, pooled his resources with the veteran and several others and soon his nasal twang could be heard over WLIZ, now WICC, in Bridgeport.

The list of organizations to which he has contributed his talents reads like a city civic service directory. They include president of the former Community Chest, chairman of the Red Cross, chairman of the Salvation Army advisory board, vice president of the Regional YMCA and member of the boards of directors of the Cancer Society, Heart Association and Danbury Chamber of Commerce, to name a few.

Presently he is on the management committee of the President's Industry Advisory Commission, an incorporator for Danbury Hospital and a justice of the peace. He also is a member of the board of directors of the National Jewish Hospital in Denver, Colo.,

and the B'nai B'rith Anti-Defamation League.

But if you ask him he will tell you he is retiring on March 1.

A NEW WASTELAND

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MONAGAN. Mr. Speaker, the December 1971 issue of the Low-Income Housing Bulletin, quoting the Housing Affairs Letter, used the phrase, "a new wasteland" to characterize what the House Subcommittee on Legal and Monetary Affairs, which I chair, found when it conducted field hearings in Detroit last month.

"A new wasteland" is not a slogan which elicits pride, or the feeling of accomplishment. It is not likely to become a campaign slogan during the months ahead. "A new wasteland" depicts failure, if not disaster. And unfortunately, this is what the subcommittee found in that section of Detroit.

The problem is serious. And it is not limited to Detroit. If the reports which the subcommittee receives daily are at all accurate, there are many other wastelands across the country.

Since the subcommittee has oversight responsibilities of the Justice Department as well as Department of Housing and Urban Development, much time and energy will be devoted to looking into this problem. The brief article in Low-Income Housing Bulletin may assist my colleagues in making themselves aware of the seriousness of the situation.

A NEW HUD SCANDAL?

A few weeks ago, a Subcommittee of the House Government Operations Committee went to Detroit to hold hearings on the increase there in acquisitions of homes where FHA-insured mortgages have gone into default. *Housing Affairs Letter* characterized what the Subcommittee saw as "a new wasteland—of thousands of single-family units bought at often-inflated prices, with too-high appraisals, by welfare and other low-income families, then abandoned, often vandalized, with FHA holding the shells."

With the potential number of acquisitions at or exceeding 20,000, a General Accounting Office spokesman said, "We are talking about an eventual loss of \$200 million" to HUD.

As *Housing Affairs* put it, "Is there a Detroit in every city's future?" That possibility is clearly bothering people who are questioning what they call the "production-orientation" of our housing programs. The national statistics on actual foreclosures don't yet signal a crisis. As of the end of October, 1971 had seen a lower rate of those (for FHA-insured home mortgages) than any of the preceding 3 years. But, the lag between default and actual foreclosure means that these may not be the best statistics to use as a warning light. The number of "defaults and potential FHA acquisitions" hit a new high of 93,000 in 1970—up 31% from '69 and 45% above the average for the period 1966-69. HUD says it doesn't have even partial-year figures on these for 1971. Meanwhile, low-income homeownership programs are again under the gun.

OVER 5 MILLION AMERICANS UNEMPLOYED

(Mr. MONAGAN asked and was given permission to extend his remarks at this

point in the RECORD and to include extraneous matter.)

Mr. MONAGAN. Mr. Speaker, while in my judgment the President in his state of the Union message glossed over the magnitude of the unemployment situation facing the United States, he did say that we must convert our industrial and technological orientation from a wartime to a peacetime basis. This problem has concerned me for a long time. On February 23, 1971, I submitted H.R. 4862, Conversion Research and Education Act of 1971, which authorizes \$450 million over a 3-year period for general conversion research, for retraining of defense and space-oriented scientists and technicians, and for assistance to defense-oriented small business firms. Specifically, this bill would require the National Science Foundation to sponsor conversion research and development and administer retraining programs for technical personnel. It provides further that the Economic Development Administration of the Department of Commerce sponsor conversion programs for management personnel. Finally, the Small Business Administration is asked to assist small firms in conversion by providing technical grants, loan guarantees, and interest assistance payments.

Unemployment for the year 1971 was the highest it has been in the United States since the 1961 recession. Our average annual national jobless rate was 5.9 percent with the rate for December in excess of 6 percent. As a result over 5 million Americans found themselves in the ranks of the unemployed, a fact which was emphasized in an article entitled "1971 Jobless Rate Worst in 10 Years" which appeared in the January 8, 1972, edition of the Hartford Courant.

I have been concerned with the general state of our economy and the extremely high rate of unemployment which we have experienced for some time. Our economy is not growing at a rate rapid enough to absorb newcomers in the labor market. It is only expanding at a rate of 2.7 percent while it is estimated that a growth rate of at least 4 percent is necessary for a healthy economy. As our involvement in Southeast Asia winds down, our veterans are seeking employment and at the same time defense-oriented industry is reducing production.

The New England region figure has consistently exceeded the national level of unemployment. In December, Connecticut had an unemployment rate of 8.1 percent with 114,600 persons out of work. In June there had been 146,580 unemployed, or 10.1 percent of the labor force. Although there has been some reduction in the unemployment rate this reduction has been wholly inadequate and could easily escalate. These figures do not accurately depict the full extent of the unemployment situation since only those receiving unemployment compensation are listed. There are many unemployed persons throughout Connecticut and the Nation who have exhausted their benefits.

We have recently passed emergency legislation extending the period for unemployment compensation an additional 13 weeks in certain areas. This program,

now in effect, was necessary to provide temporary assistance to our unemployed. An article which appeared in the January 8, 1972 edition of the Hartford Courant reported that in Connecticut 1,000 persons made application for these additional benefits in 1 week alone. In that week there was a total increase of 11,361 persons receiving unemployment compensation benefits for a total of 113,361. Included in the 113,361 are 14,943 extended benefit claims and 8,950 additional benefit claims. A year ago 10,631 claims were made for extended benefits and 26 claims were made for additional benefits out of a total of 112,591 claims.

In Waterbury, claims had increased 29.6 percent over the week before. In Meriden the increase was 12.4 percent and in Danbury, 17.3 percent. These programs only help to alleviate the results and do not go to the root of the problem—a change in our industrial priorities.

As our military involvement in Southeast Asia decreases, it is increasingly imperative to redirect the thrust of our technical orientation and industrial production to a peacetime basis. To provide for full employment, the means must be secured to assist industries which formerly produced wartime products in shifting their emphasis to peacetime military or civilian production. Unemployment will most certainly rise if assistance for orderly conversion is not available. While the needs of a peacetime military establishment must be adequately met we must also direct our attention and any available resources to the economic, social, and environmental problems which affect our society.

I urge my colleagues to support H.R. 4862, Conversion Research and Education Act of 1971. We can fully utilize our problem-solving resources only through the effective conversion of scientific and technical talent from disappearing defense jobs to activities devoted to the needs of the civilian economy.

The aforementioned articles follow:

[From the Hartford (Conn.) Courant, Jan. 8, 1972]

THE 1971 JOBLESS RATE WORST IN 10 YEARS

WASHINGTON.—The nation's unemployment rate crept up again to 6.1 per cent last month, leaving 1971 with an average of five million persons out of work and the worst jobless rate in 10 years.

Democrats said things are getting no better. The administration promised brighter times ahead.

The December figures, released Friday, showed a further slowing in what had been a rapid climb in the total number of jobholders, while the number of persons looking for work increased slightly.

Rank-and-file earnings went up slightly. The job picture worsened for Negroes and other non-whites but got better for whites. It was unchanged for adult men and women but got a bit worse for teen-agers.

December's 6.1 per cent overall unemployment rate is up from 6.0 in November and 5.8 in September. It nearly matches the nine-year peak of 6.2 per cent first reached in December 1970 and again a few months later.

For all of 1971 the rate averaged 5.9 per cent, meaning an average of five million Americans were out of work at any given time last year. This was the worst jobless rate since the recession year 1961, when it was 6.7 per cent.

Sen. William Proxmire, D-Wis., chairman of the Joint Economic Committee, said the

job figures are "discouraging, if not bleak," and may be getting worse.

Sen. George S. McGovern, D-S.D., in a news release from his presidential campaign headquarters, said President Nixon's record "is now one of proven failure."

Democratic National Chairman Lawrence F. O'Brien said Nixon's economic program promises no improvement in unemployment. "This must be Richard Nixon's last year in the White House," he added.

But Labor Secretary James D. Hodgson said the figures show a need for the tax cuts proposed by Nixon in August and passed by Congress last month. "As the effects of these measures take hold during the year we can anticipate that improvements will occur," he said.

An organized labor spokesman said Nixon had promised a year ago that inflation would begin to recede in 1971. "Not one word of that prediction has come to pass," added AFL-CIO Secretary-Treasurer Lane Kirkland.

He said the administration should be ashamed of itself and increase government spending on public facilities and services to create more jobs.

The total number of job-holders, which had gone up by 428,000 in August, 320,000 in September and 177,000 in November, posted an increase of only 111,000 last month.

This brought total employment to 80.1 million, while total unemployment increased by 66,000 to 5.2 million.

The Bureau of Labor Statistics, while tallying the job figures, said the numbers were seasonally adjusted to remove the influence of normal month-to-month changes.

For roughly 50 million rank-and-file workers average hourly earnings increased by two cents to \$3.50, up 6.1 per cent from a year earlier. Average weekly earnings were up \$1.44 to \$130.55, up 6.6 per cent over 12 months ago.

But prices went up 3.5 per cent in the year ending last November, latest figures show, so inflation ate up more than half the increase in earnings.

The jobless rate for nonwhites rose 1 per cent to 10.3 per cent last month, while the rate for whites dropped 0.3 per cent to 5.4 per cent.

[From the Hartford (Conn.) Courant, Jan. 8, 1972]

ADDITIONAL 13-WEEK AID (By Barry Schiffman)

In the past week, more than 1,000 persons who exhausted unemployment benefits during 1971 applied to the state Labor Department for emergency benefits—the additional 13-weeks of unemployment compensation signed into law by President Nixon a week ago, officials said.

They will have to return to complete the filing of their renewed claims during the last week of January, although the department previously announced the renewed claims would be accepted at any time after the law was announced.

The federal law requires a 30-day waiting period before the emergency benefits can be effective. Therefore, the first benefits will be paid during the week of Feb. 7.

The state unemployment law requires that a claim be processed within a week and the claimant begin receiving benefits or be declared ineligible. Therefore, persons who want to refile exhausted claims must wait until the week of Jan. 24.

Claimants will not always receive a check the week after filing, but may receive a check covering two-weeks of benefits during the second week because of a staggered system of payment.

Anyone who has exhausted benefits and wishes to file his claim immediately may do so, but will be asked to come again on the last week in January. The paperwork for his claim will be kept by the local office.

Claimants still receiving jobless pay in February will automatically be eligible for the 13 weeks of emergency benefits.

Estimates of the number of people who have exhausted benefits in the past year total more than 14,000 for the first three-quarters of 1971. More than 7,000 persons were receiving additional benefits during the last week of December. Most of those will no longer be eligible after this week.

At the last count the Connecticut rate of unemployment was 8.3 per cent of the labor force.

AMERICA'S WORLD WHEAT PRICE WAR; CANADA, AUSTRALIA, AND THE EEC PLEAD FOR MERCY ON THE FARMERS

(Mr. MELCHER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MELCHER. Mr. Speaker, I have obtained tape transcripts of speeches of representatives of three other major wheat exporting nations before the 22d Convention of the National Association of Wheat Growers last week which are of so much importance in the current debate over farm commodity loan levels that I am placing them in the Record.

In every instance, these speakers pleaded with the United States to quit depressing world grain prices. Discarding their diplomatic language, they suggested we throw the grain trade out of the policymaking saddle and listen to our farmer producers for a while.

E. K. Turner, president of the Saskatchewan Wheat Pool, told the American wheat producers that other exporting countries are sold out of wheat and that we have the world market virtually to ourselves until after next July "so why continue to put downward pressure on it?"

"Governments ought to listen more to farmers and less to the members of the grain handling and international grain trade," he suggested.

Mr. Turner, Pierre Malve for the European Economic Community, and Mr. L. V. Price, president of the Australia Wheatgrowers' Federation, all called on us to renegotiate the World Wheat Agreement with minimum price floors that would give producers at least a chance to get a fair price that covers the cost of production and keeps them in business.

These speeches confirm what some of us have known for 2 years—that the United States is leading an international price-cutting war in farm commodities, disregarding the effect on American producers in order to increase volume and recapture a few dollars to narrow the dollar gap. They apparently have no concern about ruining grain farmers and won't even look up from their price cutting long enough to discover it is wholly unnecessary.

Among our customers for wheat, the recent dollar devaluation has been approximately 12 percent. Japan, I am told by the Library of Congress, can now buy as much wheat for about 225 yen as it was getting for 265 yen a few weeks ago.

In effect, devaluation has cut our prices for wheat in world trade about 15 cents per bushel and we not only have

not adjusted the price to recapture the producers' loss, we continue to press the price-cutting war.

If anyone thinks that we are going to increase volume by driving out competing nations, they should read what Mr. Turner told our wheat producers in Denver. He said:

Either we agree to cooperate in an international agreement in international form, or else we cut up each other in the market place on the basis of prices alone.

We're simply going to be in there, and we're going to sell, and we're going to market our grains as competitively as we know how. We tried sitting back and it cost us. I know that Canada can't match the purse that the United States has. But if we are going to go down, we're going to go down fighting on this question.

Mr. Turner suggested—as some of us have been suggesting for a long time, that it is time for U.S. farm policymakers to worry about the welfare of producers, and listen to those producers instead of the grain traders.

I am sure that many of my colleagues in both the House and Senate will want to examine the full text of the three speeches I have mentioned and I am therefore placing them in the body of the RECORD to make them quickly available.

TRANSCRIPTION FROM TAPE OF REMARKS BY E. K. TURNER, PRESIDENT, REGINA, SASKATCHEWAN WHEAT POOL, CANADA

I certainly am pleased to have this opportunity to spend a few minutes this afternoon discussing with you something of the Canadian farmers' viewpoint on wheat marketing and international agreement. I want to thank you for your kind hospitality. I have enjoyed it very much in the last day or so since I have been here, and I feel that this mutual exchange that we have can do nothing but good for us.

I am not here to offer advice, but rather to indicate what our attitude is on most of the questions that are real important to us. Hopefully, if we understand each other reasonably well, we can act in such a way that we will have mutual benefits arise out of our attitudes and performance in the marketplace.

I want to raise some questions, maybe make some suggestions. But, as I say, these I am making as much at myself and at our administration as I am with anybody else's.

I noted yesterday that Senator Curtis mentioned several times about priorities in the country—talked about the relative strength of farmers in relationship to other groups in the country. This is a real concern in Canada, because politically our numbers are decreasing and we see our political strength declining. I think we need to compensate for this by consolidating all the strength we have among farmers both in an economic and political way. I don't think it is good enough to just do this within our own country. I think we have to do it internationally, and I think this type of exchange is real useful in this regard.

There is a little incident that happened that illustrates some of the relative importances within our country. A wheat grower friend of mine was in the hospital a while back. He was pretty sick, wasn't feeling very good. He was getting a fair bit of attention from lovely young ladies in white, and he was enjoying it. But they were short of beds in this hospital, and all of a sudden he found a lady who was very frightened had moved into the room across the hall. It was obvious that it wasn't going to be long until she had her baby. So on one day there was a stream of nurses in and out of her room, and they completely ignored Jack altogether. So about

five o'clock in the afternoon, one of the nurses came in and said, "We're very sorry, Jack, but you know we've been so busy that we've completely ignored you, and we're apologizing for it. Is there anything you need?" By this time he was a little resentful of all this, and said, "No. You know I'm a farmer. I've been used to this all my life. Everything for labor—nothing for the farmer."

So it may be appropriate for some of the situations you have been facing.

Really, I've been at your meeting long enough—and I was real fortunate to be invited to the Washington state meeting, and I was there long enough to realize that we have a common identity—the farmers in Canada, the farmers in the United States.

Now, north of the border we feel you've got it made, on theory, with PL 480, you've got your certificate program, you've got export subsidies. You know, you seem from our vantage point to be in, you know, downhill with a tailwind.

I suppose when you look across to the north, you see some of the programs that we have, our storage program, modified two-price system (not very good, but it is still a modified one), we've got some freight rate advantages that were negotiated a long time ago, and certainly we have some things built into our production and marketing system that help wheat growers.

But the truth of the matter is that neither one of us has done really enough or achieved nearly enough to make the economic situation on terms of what we would like to see. Maybe we can't do this alone any more. Maybe we have to do it jointly and bring pressures to bear jointly.

Now, we have enjoyed a very high marketing year in Canada, but our prime concern of the farmers is still his net realized income . . . the bucks he has left in his pocket after all the costs are paid. This is the prime concern of the Canadian farmer right now.

Looking at this, there are three main factors: you've got price in your market, you've got the price of the product, and you've got the costs that go into the producing and marketing of products.

Now we certainly are all striving to increase the price in the market. There's no doubt about that. We'd all like to do that. We're not too optimistic in Canada about getting our costs down. Certainly there are things we can do maybe to hold costs, but to ever bring them down from where they are is a pipe-dream. So that probably leaves us one main alternative, and that is to work on the price end of it. So we can diversify into other crops. There's been some mention this morning and at noon about the opportunities for livestock and how this would consume some of our grains and bring in added income. What we're doing, we're increasing our livestock. But even here it is obvious that this isn't going to in itself solve the total economic problem that we have in our grain areas. Our other crops, the alternative for land use, are very little. Really works out to an exchange, and they're all so inter-related that unless there is something done dramatically, we're not going to make enough alternative uses of our land to really solve the problem.

So this brings us, then, to the whole question of market price. I think one of the realities of the world marketplace for grains, particularly for hard wheats, and that is our primary interest in Canada, is that the size of the market not be limited. There are some very real and rigid restrictions on the size of the market. This might not be the case when you get into the lower quality and feeding wheat. I think then they move in and start to compete with feed grains. You may set up a bit of competition between feed grains and wheat. But generally speaking, the market simply won't absorb all of our production. You know, I think that Canada and the United States and Australia all have the ability to overproduce the effective mar-

ket, and I think this is one of the realities that we must face.

Now, I am disturbed—and I think there are lots of people in our country saying it—that all we need to do is to get the price down and we're going to expand the market. I think we have to get rid of this low-price philosophy of exports. I can't understand exporters having this kind of a philosophy. Now, you know the arguments they put up. If you get the price down, you'll force others out of the market, and leave an enlarged market for your own products.

I ask the question: Where is this going to happen? It certainly is not going to happen in one of our three countries. It's not going to happen in the European Common Market, because for the most part, the producer doesn't even know what the world price is. He's not exposed to it. It's not going to happen in developing countries, because they're striving for self-sufficiency any way, and they simply don't have the means to go and purchase the grain that they need to feed their people. So I ask: Where is this going to happen simply by lowering the price?

I also ask the people that talk about this: What advantage is it to the producer? To sell 10,000 bushels for \$10,000 instead of selling 8,000 bushels for \$10,000. It's no advantage to the producer to get rid of 2,000 bushels more grain, but if a disaster hits you don't have 2,000 any more. But it's sure a heck of a good thing for the handling companies and exporters and everybody that's in between the farmer and the market, because they work on margin, and so on. So these are some of the questions I ask in looking at this.

Now, moving on to the whole question of international agreements:

I feel that because of our total dominance in the wheat market, that if the United States and Australia and Canada can agree on terms and conditions of an international wheat agreement that is effective and meaningful to producers, then we can have them. But I think we need to agree that there is a price below which we will not sell . . . an absolute minimum as to where we'll go on price. And if we did this, we could control the world market level for wheat. Why can't we? Canada and the United States did it for 20 years under the other agreement and consultation. But I think as producers we need to indicate clearly to our governments that we will not tolerate unduly low prices for our product.

So really, I guess we have a choice. Either we agree to cooperate in an international agreement in international form, or else we cut up each other in the market place on the basis of price alone.

We're simply going to be in there, and we're going to sell and we're going to market our grains as competitively as we know how. We tried sitting back, and it cost us. I know that Canada can't match the purse that the United States has. But if we are going to go down, we're going to go down fighting on this question. You're strong in both economic and political strength. You've got a lot of muscle in reserve. I don't know if you've lost any of your economic and political muscle in the last year or not—that's a question you should answer.

So I urge you, as producers to insist that your government take the lead in two areas:

The first one is to strengthen the world marketplace for wheat. I am suggesting it at this time because I think it is an opportune time to do it. We sold out our system. We can't sell any more grain—no significant quantities—between now and the end of July, and even beyond that. France has pretty well sold out her production. Well, less talk about what Australia's possibilities are. Russia is not a factor in the export market. She's importing this year. So, when it boils down, you have the market just about to yourselves for the balance of the year. And maybe this is a good opportunity to work the

price higher. After all, what is so magic about the price we have today? It's the lowest price we've had in 20 years. Why should we continue to put downward pressure on it?

The second thing, I think you as producers might do is urge your government to take the lead in re-negotiation of an International Wheat Agreement. I say this for two reasons: First of all, you've got a Senate resolution that I understand was passed unanimously urging that this happen. Secondly, you're the dominant nation in world wheat trade and marketing. These are good reasons why I think the United States ought to take the lead in calling for a new agreement.

Now, in Canada, we'll certainly return to the table. If countries that come are prepared to go after an agreement with realistic prices from the producer's point of view. And, also if any agreement is not going to disadvantage any of its members—you, Australia, or us, or the European Common Market, or anyone. We have to come in there in a proper frame of mind to get an agreement. You've got to want one.

Finally, and I think this applies to all nations, I think governments ought to listen more to farmers and less to the members of the grain handling and international grain trade, because the interests of these two groups are vastly different. I hope you don't think I'm impertinent. I speak only from a deep concern for the grain producers of all countries. Surely we have the intelligence to jointly work out our mutual problems in a way that will allow us all to survive and prosper.

INTERNATIONAL COOPERATION IN WHEAT MARKETING

(By Mr. L. V. Price)

Wheat is a very important export commodity for Australia. It is grown on about one in four Australian farms and comprises about 11 per cent of our export earnings. In fact, wheat is as important to us as the exports of wheat, flour, tobacco, meat, cotton and coarse grains in total are to the United States. Some 75% of our production of wheat eventually finds its way to export markets. In the case of the United States only 50% of your wheat production is exported.

The orderly marketing of wheat has long been a feature of the Australian wheat scene. As you may know, we have a single marketing authority, the Australian Wheat Board. Although the Board draws its powers from complementary Federal and State legislation, it is in effect grower-controlled.

Orderly marketing, backed by a pooling of returns and stabilisation arrangements designed to avoid extreme year to year fluctuations in returns to growers, gave the wheat industry in Australia a new sense of confidence and security. These arrangements, however, eventuated only after a long hard fight by organised wheat growers through the Australian Wheatgrowers' Federation. The A.W.F. is the policy making body of the Australian Wheat Industry, and has been accepted by successive governments as the mouthpiece of the Industry. Its structure is based on elected delegates from component wheat organisations in each of the five wheat growing states. At this level, twenty-two delegates represent our sixty thousand wheat growers.

The success and effectiveness of orderly marketing in Australia has not unnaturally led the Australian wheat grower to support the application of much the same underlying principles in the field of international wheat marketing.

The wheat grower is always the first to appreciate how pointless it is to have a situation where sellers of wheat are trying to cut each other's throats and buyers are continuously trying to force prices down. It can lead only to chaos. The desire to avoid such chaos has consequently been an

important factor in the Australian Wheatgrowers' support for international co-operation.

With this support, the Australian Government has participated actively in the succession of wheat agreements which have regulated the world wheat trade since 1949. These agreements have operated in the interests of orderly marketing and price stability and have had the backing of the major wheat exporting and importing countries.

These agreements illustrate the basis on which international co-operation has proceeded in the past and on which I hope it can proceed in the future. Very simply it has involved the conferring of rights on both the exporting and importing countries involved.

On the one hand the right of the producer to receive a reasonable return for his labour and capital; and

On the other hand the right of the buyer to have continuity of supply at reasonable and stable prices.

To me, in essence that is what international co-operation in wheat marketing is all about.

No doubt the most sophisticated of the post-war wheat agreements was the International Grains Arrangement of 1967.

The IGA represented a considerable step forward in that it endeavoured to bring into operation more effective pricing arrangements over the whole regimen of wheats traded internationally.

In the event, however, as you well know, for a whole complex of reasons the IGA ran into deep trouble.

I think it can fairly be said though that too much blame has been levelled at the IGA for the fall in U.S. exports during 1968/69. In my view it was only one of a number of factors involved. The record will show that world trade in wheat fell by 12% or some 6 million tons in that year and your problem was accentuated by a 50% cut in aid shipments as against the three previous years average.

A comparison of figures also shows that in 1968/69 wheat exports on commercial terms fell in the U.S.A. and Australia by about the same amount.

With the benefit of hindsight however, there is no doubt also that the more sophisticated pricing provisions proved to be too rigid and adherence to the agreed price relativities between different wheats traded internationally led to some distortion of traditional trade patterns.

Exporters were threatened with a "free for all" on prices. The complete collapse of the IGA was imminent and this I believe would have resulted in absolute chaos in all wheat markets and created a real threat to continuing international cooperation. Fortunately, common sense prevailed and in a spirit of co-operation and compromise exporters were able to weather the storm.

In the process, of course, it meant some fairly hard-headed and difficult decisions on the part of a number of important exporters. It meant Operation LIFT for the Canadians; intensified acreage restrictions for you people. And for us in Australia it meant the introduction, in effect, of production restraints in the form of delivery quotas which I can assure you, given our Federal/State arrangements would not so long ago have been regarded as "unthinkable." I know all of us here would have liked to have seen others following the same example.

It was against this backdrop that negotiations for a successor agreement to the IGA took place. I personally was pleased to be able to participate in those negotiations as an adviser to the Australian delegation, representing the Australian wheat growers.

There is no real point in recounting the detail of those negotiations. Suffice to say

that some extremely difficult negotiating issues were on the table, reflecting in large measure the fact that those exporting countries which considered that they had been disadvantaged by the operation of the IGA were reluctant to accept new commitments. It became very clear to me that time was needed to heal some wounds. And, in any event, the impending changeover in the Canadian wheat grading system posed additional problems when it came to the specifics of agreeing on, for example, reference wheats.

While fully appreciating the problems involved, I must say that we were disappointed with the final result.

By the same token, however, we did manage to negotiate an agreement which preserves the framework for continuing international co-operation and consultations. And no one should underestimate the importance of this. We also secured a wider membership in the Agreement—this is an equally important achievement.

But we failed to negotiate any specific provisions regarding prices. This was a major disappointment. It has always been clear Australian policy to seek firm and effective floor prices in international wheat agreements—in fact this has been an important element in our support of successive IWA's. Put simply, we believe that the prospect of an agreement achieving its basic objective of stabilising prices at remunerative levels is so much greater if there are appropriate pricing provisions incorporated in the agreement.

It seems to us that without such provisions you run a much greater risk in a period of heavy supply of relapsing into the old time cut throat competition of the wheat dealer with the freedom to sell at any price but with the growers being forced to depend on the support of their Treasuries which, as we have all come to learn, can be a rather unsatisfactory business.

The effects of price cutting will of course be reflected immediately in growers' returns but to my mind this is one of the lesser evils. The real danger would be the difficulty in holding worthwhile forms of production management in the major exporting countries. This in turn must threaten the concept of the family farm unit as the basis of agriculture.

I believe also that growers cannot expect to gain higher returns from a significant increase in the volume of exports. The world market for wheat is obviously limited and attempts by any one exporter to expand considerably its share of this market will quickly be matched up by other exporters—the end result must be detrimental to all exporters involved. It seems obvious to me, therefore, that in the area of price lies the best prospects of obtaining a more remunerative return for our wheat.

Looking ahead, we must be concerned with the prospective balance between supply and demand of wheat. You know as well as I do that the outlook for 1971/72 is not favourable, with world production estimated at a record level, world trade forecast at some 4.5 m. tons below last year's level, and with more exporters than last year competing for that smaller market. Price movements in recent months have indeed reflected the mounting pressures.

Hence we firmly believe that it is in the interests of growers to seek to strengthen the new IWA by having pricing provisions written into the agreement.

Fortunately, the IWA does leave open the possibility of returning to the negotiating table on the pricing aspect during the life of the agreement.

For our part we would hope that it will prove possible to take up this opportunity and I must say we are encouraged by the resolution which was attached to the U.S. Senate ratification of the IWA.

Let me hasten to assure you that I am not suggesting a return to inflexible, rigid or

unrealistic pricing provisions. In fact our delegation at the Geneva conference made it clear that on balance we thought the type of pricing provisions incorporated in the 1962 IWA provided the best prospect of making progress in this field.

You may remember that under this agreement the minimum and maximum prices established for the reference wheat were in the nature of a benchmark to which price levels of all other wheats were related. In fact, quality differentials between different wheats were determined by market forces and actual market prices had considerable freedom of movement according to quality, market conditions and changes in freight and exchange rates. I am assured nevertheless by those who are associated with this type of agreement that the pricing provisions did operate to achieve a measure of stability in the world wheat trade.

I would hope therefore that American wheat growers will lend their support to any moves designed to negotiate meaningful and realistic pricing provisions during the life of the present agreement. And let us face it, given the realities of the Geneva negotiating conference, if we Americans, Canadians and Australians are not prepared to grasp the nettle then the prospects of any real progress are indeed thin.

In conclusion, I must say I am convinced that international co-operation in wheat marketing has been in the continuing best interests of growers. I sincerely hope that, in a spirit of goodwill, this cooperation will be maintained in the future with a view to maintaining stable wheat prices and helping to bring more reasonable returns to growers. I repeat what I said earlier—no grower surely wants to see a return to the old-time cut throat competition where the grower is inevitably the one who misses out at the end of the day.

Speaking for Australian wheat growers, I assure you of our willingness to co-operate in every way possible in lending our unqualified support to continuing co-operation in world wheat marketing.

FOR THE DEVELOPMENT OF DYNAMIC AGRICULTURAL COOPERATION BETWEEN THE UNITED STATES AND EUROPE THROUGH NEGOTIATION OF A NEW TYPE OF INTERNATIONAL COMMODITY

(By Mr. Pierre Malve)

INTRODUCTION

I would like to thank Mr. Gene Moos, President of the National Association of Wheat Growers, Mr. Jerry Rees, his dynamic Vice-President, and the members of the National Association of Wheat Growers for giving a representative of the European Economic Community an opportunity to address its convention in Denver.

Relations between the United States and the European Economic Community, in view of the difficulties of the American balance of payments and of the enlargement negotiations of the EEC, have been a major focus of attention during 1971.

The December monetary accords in Washington have not brought an end to discussions relative to trade between the United States and the European Community and particularly to the positions taken concerning the real and supposed effects of the common agricultural policy on U.S. agricultural exports.

The common agricultural policy is seen by many Americans as an "apple of discord" between the United States and the European Economic Community. Reflection and objectivity must be exercised on both sides of the Atlantic in order to arrive at a better comprehension of the interests at hand.

But it is necessary also to use some imagination in cooperating in the search for solutions compatible with the agricultural poli-

cies of both parties and with the fundamental conditions of agricultural markets around the world.

Utilizing my past experience with the Kennedy Round and my daily confrontation with both American and European preoccupations, I would like to make some personal reflections today which may prove useful in helping to find mutually acceptable solutions. With this end in mind, it is necessary for me:

First, to examine quickly the agricultural policies of the European Community and of the United States in order to show how, in both cases, the formulation of the best possible agricultural policy is a difficult task.

Then, to try to show that finding solutions for the preoccupations expressed in the United States as well as in Europe demands commitments on the very contents of the agricultural policies and translation into international commodity agreements.

1. The difficulties in establishing an agricultural policy compatible with the farmers' interests, the demands of trade and the situation of international markets for agricultural products are real, in Europe as in the United States

A. It should be stressed that the common agricultural policy does not merit all of the criticism it receives:

1. It is easy to show the importance of agriculture in the European Community while recalling that in 1969, Community farm workers totaled 10 million as compared to 4 million in the United States. At that time, farmers comprised 14.2% of the total Community population, but only 4.8% in the United States. Agriculture represented 6.2% of the Community gross national product in 1968, as compared to 2.9% of the United States' G.N.P.

For the majority of European farmers, agriculture is not only a means of earning a living, but it is a way of life to which they remain very attached.

Even in the United States, the human and economic interest in maintaining the family farming is recognized. The new Secretary of Agriculture, Mr. Butz, before the House Agriculture Committee, declared himself to be in favor of family farms, providing they have sufficient flexibility to adapt to the conditions of the modern economy and to secure a modest profit for the farmer and his family.

European farmers ask for no more, and that is also the objective of the governments of the Member States and of the institutions of the Community.

2. It must be understood that the Community cannot renounce the principles fundamental to the common agricultural policy.

Among its fundamental principles are the Community preference and financial solidarity, both of which are absolutely essential for the integration of the different agricultural systems—German, French, Italian, Benelux, and tomorrow, British and Scandinavian—into a single market.

In a country such as the United States where the Buy American Act gives an advantage to American products in all kinds of government procurement even if the American price is 50% higher than the price of foreign products in the case of defense contracts, it is easy to understand Community preference.

As for financial solidarity, it corresponds to inclusion in the federal budget of the United States, that is, funding by all of the American taxpayers, of agricultural subsidies, the volume of which naturally varies according to state.

3. Another important element of the common agricultural policy is the variable import levy system.

The variable levies are intended to protect the level of internal prices while preventing products purchased externally to be im-

ported at price levels lower than those judged necessary for domestic production.

The protection of internal price levels is one of the essential objectives of all agricultural policies, and only the means differ from country to country, certain countries preferring to use import quotas.

It is often forgotten that the introduction of variable levies in the Community for the most important products such as grains, has brought about the disappearance of quantitative restrictions which, in certain Member States, used to arbitrarily limit trade flows. Furthermore, the collection of variable levies on imports has positive aspects with regard to competition, for it neutralizes any attempt to penetrate the market by using abnormally low prices.

Thus, variable import levies assure the uniformity of the import conditions in the European Community, no matter the point of entry into Community territory.

However, the situation has become complicated during the past two years since the changing of certain monetary parities and with the introduction of floating exchange rates. The Community has had to impose countervailing duties, among the Member States as well, in order to maintain the uniformity of the conditions of access to the Community and the free circulation of agricultural products among Member States.

The most recent import measures have, then, no discriminatory character regarding any one trading partner, but constitute only one example of the application of the fundamental principles of the common agricultural policy.

4. In the United States, the high prices for certain agricultural products in the Community are often criticized. The effort made in recent years to limit their increase is underestimated.

The European Community willingly recognizes that cereal prices, for example, were determined originally much more on the basis of political considerations, that is, by the necessity of arriving at an accord among the Member States, than as a function of their economic rationale.

One must not forget, however, the concessions made by agricultural producers of the Federal Republic of Germany when the common prices were first set in 1966.

Since then and until March 1971, the prices of agricultural products have remained unchanged in nominal value, which represents a decrease in real value in view of rising costs of production.

Since the monetary readjustments in France and Germany during 1969, French producers have not benefitted from all of the upward readjustments of agricultural prices made possible by the devaluation of the franc in relation to the unit of account of the common agricultural policy; and German farmers have seen the prices of their agricultural products lowered by the revaluation of the Deutsche mark.

The Governments of the Member States and the institutions of the Community are confronted at this moment with a demand of revaluation of the prices of agricultural products based on the evolution of production costs, the constant rise of which has unacceptably reduced agricultural income. This situation has accelerated the rural exodus which, in the Community, will affect some 500,000 people per year.

It is however important to note that the Community is in the process of modifying progressively the method of fixing agricultural prices, basing itself, in the future, on the best run and most efficient farms. For the least competitive farmers, and notably for farmers between the ages of 45 and 55 and who would agree to retire after age 55, direct aid grants could be ultimately envisioned. Moreover, price policy is aimed at encouraging a transfer of activity toward animal pro-

duction at the expense of vegetable production.

5. The Community is already engaged in an important reform of agricultural structures.

The great architect of the common agricultural policy, Mr. Mansholt, Vice-President of the Commission of the Common Market, has for a long time stressed the limits of price policy in assuring satisfactory income for the entire agricultural population. He insisted on a reform of agricultural structures.

From 1958 to 1969, the agricultural population decreased from 15 million to 10 million farmers, but there are still 6 million farms in the Community. The average size of Community farms is only 11 hectares, of about 27 acres, and farms larger than 50 hectares or 125 acres represent only 3% of the total.

It is sometimes heard in the United States that after three years of discussion, not much progress has been made in the application of this plan. This notion results from the fact that the importance of the reforms envisioned has not been recognized.

The Mansholt Plan is aimed at reducing the agricultural population of 10 million to 3 or 4 million people in about ten years, and the total acreage under cultivation by 12.4 million acres, or about 6% of the present acreage over the same period.

Mr. Mansholt is seeking also to increase the size of existing farms without however unduly increasing total production.

Among the measures envisioned for the implementation of this program, one must distinguish between the following categories: measures in favor of farmers who wish to retire from agricultural activity, selective grants for those who will be able to modernize their farms and become competitive, grants to groups of producers who apply restraints in production and marketing, and the vocational training of the sons of farmers.

The financial contribution of the Community will be 25% of the total expenses for business enterprises on the Community level. This contribution is expected to rise to 65% in the least competitive areas.

The Mansholt Plan, debated in governmental circles, in agricultural organizations, and by the public, has led to an unprecedented awareness of the magnitude and the complexity of the agricultural problem. One is now convinced that no reform is possible for agriculture without the consent of the interested parties. It is apparent also that such a reform could not succeed if it were not accompanied simultaneously by the creation of jobs industry and services, by a regional development policy, by a social policy, and by considerations relative to the environment and to soil conservation.

The first decisions implement the Mansholt Plan were made by the Council of Ministers in March 1971, but one should not underestimate autonomous actions by the Member States which precede or are inspired by the contents of the Mansholt Plan.

6. The risk of creating surpluses through the common agricultural policy is often emphasized externally as well as internally.

The preferred example was that of the accumulation of "mountains of butter" but the experience showed that this situation was only temporary; today, the dairy surplus has totally disappeared.

As for cereals, the acreage under cultivation has not increased, and the growth of production is due exclusively to the improved yields.

It is important to keep in mind that at the present time, direct control of production still presents great difficulties in the Community. The introduction of production quotas would have the effect of freezing the present situation and of opposing special-

ization of production in the different regions of the E.E.C.

A good example of the risks taken is given by the sugar policy. The introduction of production quotas for the cultivation of sugar beets led to the setting of quotas for each of the Member States which on the whole have permitted an increase of the total production of the Community.

Moreover, the enormous number of small farms makes it difficult to introduce in Europe a policy comparable to the American "set-aside" policy.

7. The Community feels that it has been very careful in its policy of export subsidies.

There has been too much emphasis in the U.S. on the Taiwan case which enabled some exporters, by taking advantage of loopholes in the Community rules, to export grains to the detriment of American interests. But this case was the result of an accident.

The Community has no intention of taking over traditional American markets by an aggressive use of export subsidies. It is ready to give assurances on this point.

8. The Community feels that the U.S. is too preoccupied with criticizing the CAP, while refusing to acknowledge what good markets it enjoys for its agricultural exports.

From 1960 to 1970, the U.S. had a trade surplus with the Community, averaging 2 billion dollars a year and this surplus reached \$2.4 billion in 1970, for total agricultural and industrial trade with Europe.

This trade surplus toward the Community is of particular importance in view of the concern shown by the U.S. Government about the balance of payments of this country.

From July 1970 through June 1971, American agricultural exports amounted to 7.8 billion dollars, setting a new record and representing a 15% increase over the previous year. In fiscal year 1971 as compared to fiscal 1970, these exports to Japan increased by 11.5% while exports to the E.E.C. increased 27%. Total agricultural exports to Europe during the same period rose from 1.4 billion dollars to 1.8 billion dollars.

It is interesting to note that these exports toward the Community of variable-levy commodities have increased more than the non-variable commodities, rising from one fiscal year to the next from 351 to 480 million dollars. Wheat exports rose from 42 to 82 million dollars and feed grains exports went from 248 to 348 million dollars. Exports of oilseeds and poultry, that is, both raw and processed fiscal year 1970-1971.

It is necessary that the United States recognize that the E.E.C. cannot import simultaneously grains, feedstuffs, soybeans, meat, and poultry, that is, both raw and processed commodities. Likewise, regarding raw commodities, American exporters and the U.S. Government must admit that commodities serving the same purpose in the Community like feedgrains, soybeans and feedgrains, compete against each other. Therefore, the outlets for individual commodities may fluctuate from year to year while the overall value of imports of these products continues to increase, demonstrating once again the importance of the Community market for American agricultural producers.

B. If one considers the situation of American farmers and the agricultural policy of the United States, one finds much in common with the common agricultural policy of the E.E.C.

1. Just as European producers do, American farmers complain about the inadequacy of their income. Discussions concerning the level of support prices in relation to parity prices during the reference period are a striking example of this.

European farmers noticed also the protests of their American counterparts against decreases in the October 1971 selling price of wheat as compared to the October 1970

prices—and they protested even more against the drop in corn prices.

Europeans are attentively following the development of the operations of the Commodity Credit Corporation, the plans aimed at raising price support by means of so-called strategic stockpiles of wheat and feed grains, and, especially, the proposal for a 25-per-cent increase in the support price of corn.

Happily, Community farmers have not yet had the idea of asking for a 25-per-cent increase in their guaranteed prices for wheat or corn!

2. The prices of cereals may appear high to American producers, but American milk prices are higher than those in the Community.

The support price of milk increased by 48 per cent between 1964 and 1970 in the United States but only by 5 per cent in the Community during the same period. The support price of milk has just been set at \$10.27 per 100 kg in the United States, higher than the Common Market guaranteed price of \$9.85 per 100 kg.

As far as American sugar producers are concerned, guaranteed prices in June 1971 were 8.4 cents a pound or nearly double the world market price at that time.

I do not mean to say that milk and sugar prices are too high in the United States; I simply want to emphasize that the European Economic Community does not have a monopoly on high agricultural prices.

Perhaps we should admit, in Europe as well as in the United States, that not only do agricultural prices respond to economic conditions but also to political and social imperatives which do not always permit adoption of the most rational policy.

3. It is surprising to find that in a country whose agriculture is as modernized and rationalized as is the United States, conflicts similar to those existing in Europe are found.

The American critics of the C.A.P. often point out that the price policy followed until now by the Community offers exaggerated profits to the most modern farming units without guaranteeing a satisfactory income to the very small farms. The Community, while pointing out that the C.A.P. is only a few years old, is more and more convinced of the limitations of a policy of high prices and of the inequities which it may cause.

However, when one hears that in 1970 out of 2.9 million farms, in this country, 226,000 or 8% receive 55% of the income from sales of agricultural commodities, one wonders whether the situation is very different in the U.S.

Also, I would like to refer briefly to the impact on American agricultural incomes of the set-aside policy which enables the biggest farming units, those which can set aside land, to receive subsidies.

In the U.S. as well as in Europe, one hears discussions of the family farm versus agribusiness. One hears too in the U.S. that the efficiency of big farms over traditional farms is debatable if it results in lower-quality products. For example, it is claimed that the quality of tomatoes has declined in the U.S. because machines can pick only hard-skinned tomatoes.

Therefore, there are a growing number of American farmers who think, as the European farmers do, that in order to determine the adequate level of agricultural prices, and the location and type of production, it is not sufficient to apply only the criteria of efficiency and profit in terms of industrial businesses.

4. It is also important to note that U.S. agricultural policy is not a policy favorable to free trade for all products. Like any other agricultural policy, it has its strong points and its weak points.

Since 1955, the U.S. has enjoyed a waiver to the G.A.T.T. rules in quantitative restrictions on imports, a situation which is no longer justified.

The U.S., while urging the opening of foreign markets to its grain exports, practically excludes dairy product imports from its own market. It has been noted in the G.A.T.T. that these quantitative restrictions are so effective that, from 1968 to 1970 imports of dairy products into the United States have been equivalent to only 1.5 to 1.7 percent of U.S. dairy production. It is feared that the political strength of the American dairy industry may worsen the present situation.

The Community has offered, so far without success, to respect a certain minimum price level when exporting cheese to the American market so as not to interfere with the American milk support policy.

The members of the National Association of Wheat Growers know very well that the U.S. policy of import quotas is not limited to dairy products.

5. When criticizing the protection and the financial support offered to Community producers, there is a tendency in the U.S. to overlook the protection and the support given to its own agriculture.

The E.E.C. had a comparative study made of agricultural support in the U.S. and in Europe. If all forms of support were eliminated on both sides of the Atlantic, the results would be a 44% decrease in income for the American farmer and a 50% decrease for the Community farmer.

Actually, support per producer would be higher in the U.S. where it averages \$1,300, whereas in Europe it is only \$900.

Such figures can always be challenged but the magnitude is nevertheless significant.

6. Partners of the United States are sometimes concerned by the importance placed on the role of agricultural exports in the U.S. trade balance and the balance of payments.

The set-aside policy produced unexpected results during the last crop year, if measured by the increase in acreage under cultivation, the size of the wheat and corn crops and the amount of carryover. These surplus crops may put considerable pressure on international markets.

Moreover, the goals defined for agricultural exports are a matter of concern. During FY 1970-71, the U.S. has set a new export record of 7.8 billion dollars, but from different sources one sometimes hears that everything must be done to reach a 10-billion dollar level of agricultural exports.

One may ask what are the products the U.S. plans to export to obtain, even after many years, such a result, what are the solvent markets to which they can develop their exports and what policy does the U.S. intend to follow to achieve such a goal.

The U.S. is not and cannot be the only exporter of agricultural commodities. Other countries compete with the U.S. on the E.E.C. market. Competitors include both industrial countries and developing countries. The devaluation of the dollar in relation to European currencies, is going to make it more difficult for the other exporting countries to compete against U.S. exports of non-variable levy commodities.

Let us hope that the exporting countries do not develop policies of currency devaluations to regain their competitive position on the import markets.

In this respect, the U.S. and the Community should pay more and more attention to the interdependence of agricultural and commercial policies and to the community of interests resulting therefrom.

II. The United States and Europe should be able to reconcile the particulars and the requirements of their agricultural policies and their objectives for trade in agricultural products by negotiating a new type of international commodity agreement

A. There will be no possible cooperation and consequently no real solution to the agricultural difficulties between the United States and the Community without a

global approach, taking into consideration the present agricultural policies of the principal producing and exporting countries and the objectives to be reached on the world market.

1. It is most important to be convinced of the limits of an aggressive export policy founded on the lowest possible prices to win new markets.

The first limits of such a policy can come from agricultural producers themselves who will judge that the export price levels do not assure them satisfactory payment. In reality, within a given country, an export policy founded on very low prices quickly results in a divergence of producers' and traders' interests. The policy is certainly easier to practice in a country where representation of commercial interests in the decision-making organisms counterbalances or outweighs the representation of agricultural producers themselves.

Such a low-price policy is only partially justified by considerations of consumer protection. The expenses in the family budget are quite different in 1971 from what they were in the recent past. The share of basic agricultural products is smaller and smaller if one compares it either to the cost of processing, preparing, and advertising the products delivered to the consumer, or to other types of expenses in the budget.

Moreover, the industrialized countries with extensively developed agricultural sectors which defend the lowest possible agricultural export prices can harm developing countries whose export resources are not as diversified and who complain bitterly about constant deterioration of the terms of exchange and the decrease of their export income.

Finally, this low-price export policy is of little interest for the countries which export to the Community as the latter protects its internal price levels by variable import levies offsetting any downward fluctuation in pseudo-world market prices.

2. For the most important agricultural products, it is no longer possible to arrive at satisfactory settlements in a bilateral framework.

Relations between the United States and the Community have provided many examples of the insufficiency of bilateralism in the case where several countries agree to grant export subsidies on a specific market. Countries that develop their production of agricultural products are numerous. As a result, there are a limited number of solvent import markets, and competition for exports is accentuated.

The agreement which the United States and the European Community will certainly reach concerns the policy of wheat stockpiling. The agreement is an indication of the good will of the American and European partners. But it is evident that the scope of such an agreement is bound to be limited if, at the same time, the other wheat producing and exporting countries do not impose the same constraints but, to the contrary, seek to profit from the policy followed by the United States and Europe.

3. It is not possible either to solve the problems of international agricultural trade without taking into consideration the content of the agricultural policies themselves—that is, production policy and price policy—together with commercial policy and the instruments of commercial policy in agriculture.

Experience in G.A.T.T. over the years should have convinced us that most countries have developed very complex agricultural policies, characterized by governmental intervention to protect the farmers and that agricultural support is generalized.

Often, a country cannot agree to negotiations dealing only with a single aspect of its import policy, because this might unbalance its entire agricultural policy. On the other hand, the negotiation of a single in-

strument may turn into a fruitless exercise for an exporter if the instrument is only a secondary element of the import regulations.

Future agricultural negotiations, therefore, in order to be possible and effective, must deal with the content of these policies, the nature and the amount of the support given to the producers, and all the instruments which ensure this support.

4. An agricultural negotiation must also take into account the dimension and the characteristics of what is conventionally and too often called the world market.

The world market is a myth if by this one means a market in which the law of supply and demand operates freely. The world market, or rather the various agricultural markets which comprise the world market, is a place where a balance of power and price-fixing too often depend upon the existence or non-existence of surpluses and upon the amount of export subsidies available in the exporting countries.

The U.S. and the Community should recognize that free trade is a myth in agriculture, in view of the use by both of support measures and the intervention agencies like the Commodity Credit Corporation or the European Agricultural Guidance and Guarantee Fund.

Because the United States and the Community have at their disposal financing that is not available to other countries, they have an every greater responsibility in the functioning of the world market. The U.S. and the Community should, for certain commodities, make a common effort to promote the determination of an adequate price level on the world market and to contribute to price stabilization. The result would be not only the normalization of the conditions of competition by obliging exporters to respect these prices, but also a response to the expectations of numerous developing countries.

B. The United States and the European Economic Community should consequently cooperate in the drafting of and in the negotiation of international commodity agreements which reflect their community of interests and complement their agricultural policies while offering a framework within which to conciliate those interests which may be divergent.

1. It seems to me necessary to return to the proposals of the European Economic Community in the Kennedy Round for the conclusion of international agreements for a large number of agricultural products such as grains—and not only wheat—dairy products, meat, oils and oil products.

Without dwelling too long on lost opportunities in the Kennedy Round, some ideas advanced at that time might inspire reflections that would be useful for future negotiations. The most interesting example is grains.

The Community proposed simultaneously 1) to proceed with the negotiation of a minimum-price level to be respected in international trade for each kind of grain, 2) to consolidate the margin of support to be given by each country to agriculture, 3) to make a commitment on a self-sufficiency ratio, and finally 4) to accept to include in such an international agreement provisions for food aid.

The negotiation of a minimum price for grains sold on the world market appeared necessary in order to assure the maintenance of an adequate level of payment to the exporters and to avoid a competitive lowering of prices. It was hoped that under the future agreement, prices would normally remain above the minimum reference price. The Community proposed to negotiate also the quality differentials to take into account, for each grain, quality differences in relation to the reference quality chosen to be the subject of the negotiations on the minimum price level.

The margin of support represented the amount of government aid given to the commodity under consideration. The consolidation of the margin of support meant, in the case of the Community, that it was ready to freeze the difference between the internal grain prices of the E.E.C. and the new world prices negotiated, this freeze being valid for a period of three years. The Community accepted thus not to raise its internal prices during this period. The consolidation of the margin of support meant also that the amount of subsidy given to exports was henceforth limited by the requirement of respecting the level of the international minimum prices negotiated in the agreement. The commitment to a policy of Community prices doubled thus into a commitment to a policy of subsidies.

The negotiation of a self-sufficiency ratio completed the preceding agreements. By self-sufficiency ratio is meant the relationship between internal production and consumption. If the ratio were to increase in the future, resulting in an increase of internal production, the Community committed itself to refrain from offering surpluses on the commercial market. This was in fact an indirect Community commitment on production policy. Such a commitment obliged the Community to increase its stockpiles, or to increase its food aid, or, eventually, to take autonomous steps to reduce its production.

2. The international agreements would permit an easier conciliation of divergent interests of the U.S. and European agriculture.

It is important to point out that these proposals of the E.E.C. had been agreed to by the agricultural organizations of the Community after much discussion.

The sacrifices which the Community farmers had accepted concerning price policy or the eventual consequences of the ratio of self-sufficiency on production policy, were, in their opinion, balanced by the possibility of obtaining a better organization of the world market, a price level which would be recognized and respected in international trade, a confrontation of the substance of the various agricultural policies, and equitably distributed commitments for support. International agreements facilitate reciprocity and a balance in the commitments.

The notion of self-sufficiency ratio appeared as a kind of safeguard against the proliferation of anarchistic production policies and showed the interdependence of the production policies.

Such agreements, if they could have been concluded, would have been additionally important because of their development.

The observance of the commitments would have promoted acceleration of the structural reforms in the various countries. Attention could have been directed progressively to the coherence of the self-sufficiency ratios and the volume of the commercial and non-commercial demand. Food aid could have been conceived not as an obligation to assume in order to achieve signature of the Kennedy Round, but as an element of a policy of the industrialized agricultural producers in support of development assistance.

3. Considerable effort was required to persuade certain groups within the American Administration and within certain large U.S. agricultural organizations that there was a sound basis for international commodity agreements.

Actually, this is also true for the Community, for it is not at all certain today that the producers, not to mention certain Member State governments, would be prepared to make commitments on price policy of the type envisioned in the Kennedy Round, which are felt as being too constraining.

It can be difficult to go back to certain ideas advanced in the Kennedy Round without first modifying them, such as the freezing of the prices for three years. It would be

necessary to find formulas for adapting them which would take into consideration modifications of the general price index, the rate of inflation, allowing some flexibility in the commitments for support. It should even be possible to vary these commitments according to the commodities, the countries and even the policies adopted as long as it is possible to prove that they are equivalent from one country to another.

In the same way, it would be necessary to find a formula giving greater flexibility to the level, in international trade, of minimum prices fixed in the agreements as well as to the quality differentials determined for each category of products. Notably, it is necessary to be able to adjust these prices and these quality differentials in the course of the duration of the agreements if adjustment proves necessary, entrusting these powers to an ad hoc committee created in the framework of the agreement, closely associating all interested countries in the decision. The international agreement in this area must be an instrument of permanent cooperation.

Commitments on production policies must certainly be very progressive. Such commitments would be easier to make if they left to the countries concerned the responsibility of independently adapting their production measures with respect to the commitments made.

Likewise, it is desirable that the agreements should not be uniform, the agreement on dairy products differing in its contents and form from the agreement on grains, and the agreement on meat being of still another type. What is essential is that the commitments deal with the actual content of the policies.

International commodity agreements must allow for change and must adapt to circumstances. To wish to organize the international markets does not mean to formulate rigid rules and a narrow framework incompatible with the expansion of trade, the dynamism of trading companies, and the constant adjustment to new situations.

4. International agreements constitute the appropriate framework for cooperation between the United States and Europe to expand food aid to developing countries.

In the developing countries great hopes for the increase of agricultural production have been placed in the Green Revolution. Spectacular results have been obtained in India, which is not to say that even in that country food problems have been actually solved.

In reality, the most recent studies show that improvement of agricultural production has only followed the demographic advancement. One could calculate that in Brazil, for example, if the rate of increase of agricultural production per inhabitant were maintained at its usual level of 0.7%, it would take 100 years to double a food supply that is insufficient today. In Egypt, it would take 140 years.

Present rates of growth of agricultural production are even declining in Algeria, Tunisia, and Morocco.

Food aid is not however a cure-all and should certainly not constitute an easy way of exporting surpluses. But the United States and Europe have sufficiently diversified agricultural production so that they can be adapted to the production of commodities which are most necessary to the undernourished countries.

The effect of price stabilization of products exported by developing countries by means of the negotiation of a minimum price in international agreements, combined with an improvement in the present conditions of food aid, would be to accelerate the promotion of these countries to the rank of consumers of more and more diversified agricultural products which cannot be produced on their soil, thus beginning progressively a new phase in the expansion of international trade in agricultural products.

CONCLUSION

In conclusion, the U.S. and Europe, whether it be the Europe of Six today or, very soon, the Europe of Ten, with the entry of Great Britain, Ireland, Denmark, and Norway, have many reasons to seek the means of a true cooperation in agriculture. On both sides, the number of producers is very large, the economic interests at stake very important, and the political problem cannot be underestimated.

The enlargement of the EEC requires, no doubt, a new definition of the economic and commercial relations between the U.S. and Europe, which will result notably from a large scale negotiation in which the EEC has already stated it is ready to participate at the appropriate time.

The negotiations concerning agriculture will be an important and sensitive part of these negotiations and consequently, require thorough preparation.

The negotiation of international commodity agreements, adapted to the particular characteristics of the commodities of agricultural policies and of the markets for these commodities, is desirable because it substitutes dialogue for brutal confrontation and conciliation of interests for shows of strength.

By taking into account the substance of the various agricultural policies, international commodity agreements would make it possible to take advantage of the vitality of the family farm as well as of the dynamism of the big enterprises.

Agreements would also enable rich and industrialized countries, by means of a food aid program, to help in the economic development of those parts of the world which are the most disadvantaged.

European agriculture is going through a complete transformation, but it is enough to look at American policy to realize that there is no ready-made solution and that it requires time. American and European farmers should readily admit that they cannot thrive to the detriment of each other.

Farmers, in Europe as in the U.S., are an important political force. That fact emphasizes their responsibility, along with the responsibility of governments, to develop dynamic cooperation between the U.S. and Europe in the agricultural sector.

PAY BOARD REJECTS COST OF LIVING COUNCIL'S ATTEMPT TO SUBVERT THE WILL OF CONGRESS IN EXEMPTING LOW-PAID WORKERS FROM WAGE CONTROLS

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, in enacting the Economic Stabilization Act Amendments of 1971 the Congress included a section—title II, section 203(d)—which provides:

(W)age increases to an individual whose earnings are substandard or who is amongst the working poor shall not be limited in any manner, until such time as his earnings are no longer substandard or he is no longer a member of the working poor.

The legislative history of this provision makes it quite clear that the intent of Congress was to define "substandard earnings," and "working poor," to mean a level of income of \$6,960 annually.

The language exempting low-paid workers originated in the House—my bill, H.R. 11406. The House Banking and Currency Committee report states with respect to this language:

It is the intention of the Committee that this exemption from control apply to all persons whose earnings are at or below levels established by the Bureau of Labor Statistics in determining an income necessary to afford adequate food, clothing, and shelter and similar necessities. (Report No. 92-14, p. 5)

Despite this clear legislative history, the Cost of Living Council recommended that a wage rate of \$1.90 per hour—less than \$4,000 per year—should be used and asked for the views of the Pay Board. Yesterday, January 19, the Pay Board rejected this definition and adopted the following resolution:

It is the sense of the Pay Board that the \$1.90 figure recommended by the Cost of Living Council is inconsistent with the purposes of the Amendments to the Economic Stabilization Act and supporting analysis.

It is certainly appropriate that the Pay Board did reject this recommendation by the Cost of Living Council. The memorandum, prepared by the Cost of Living Council to support the \$1.90 figure, was laced with errors of fact and conceptual misunderstanding with respect to the problem of exempting the working poor.

The memorandum begins by saying that the term "working poor" is "usually associated with the low- or minimum-income level, developed annually by the Office of Management and Budget and currently at a level of \$3,968 for a family of four."

This statement is wrong in several respects. The OMB figure is called the "poverty line," or "poverty level." In fact, no governmental agency has defined the term "working poor." However, the Congress did make very explicit that the \$6,960 figure is what was intended.

The memorandum also states:

The legislative history (of the low-paid worker exemption) suggests that consideration should be given to the measures developed by the Bureau of Labor Statistics as modest but adequate income for a typical urban family of four, currently \$6,960.

As I have indicated earlier, the legislative history does not "suggest that consideration be given." It explicitly keys the low-wage exemption to the levels established by the Bureau of Labor Statistics.

Furthermore, the BLS family budget figure of \$6,960 is not described as "modest but adequate." This figure is described by the BLS as a "lower budget." It is in fact entitled "U.S. Average Budget Cost for an Urban Family of Four at a Lower Level."

This lower level budget is based on a four-person family, with one wage earner—the husband—the wife who is not employed, a 13-year-old boy and an 8-year-old girl. This is specifically considered to be a one-wage-earner family. The budget would be higher if the wife were employed, because of the additional expenses connected with her employment.

In addition, this \$6,960 figure was promulgated by the BLS in 1970, and was therefore based on 1969 data. Updating it to account for cost-of-living increases through 1972 would mean an increase of up to 15 percent.

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One of the most unfortunate aspects of the Cost of Living Council's rationale is its statement that employment by other family members is a means of augmenting the earnings of a low-wage prime wage earner. It states that "on a statistical average the number of workers in a family is 1.7." And then it uses this 1.7 figure to reduce \$3.35 an hour—\$6,960 for 2,080 hours—to \$1.97 an hour. The \$1.97 per hour is then rounded off to \$1.90 per hour for no particular reason.

There are many errors in this analysis.

According to the Census Bureau, there was an average of 1.7 wage earners per family in 1970, but this figure represented an average of all families, whose average family income was \$11,106. However, Census data on families whose incomes were less than \$7,000 in 1970 show the following:

Of families with incomes below \$7,000 annually, 62 percent had only one earner. Therefore, the appropriate average number of workers for these low-income families is much less than 1.7. Furthermore, a large percentage of these secondary wage earners work part time and are paid quite low for the little time they do work. So, it is certainly not appropriate to reduce the \$6,960 figure on the assumption that secondary workers are in fact working very much or are paid very much.

Thus, the analysis by the Cost of Living Council is made up of a series of very serious statistical errors which all go to reducing unreasonably the BLS \$6,960 figure.

In addition, from a philosophical point of view it is unacceptable to state to the working poor that they are expected to have more than one wage earner in the family, in order to be able to attain a barely adequate standard of living. Congress certainly did not intend such a perverse concept to be the benchmark for setting the definition of substandard earnings.

Another error is the assumption that the average worker works somewhat over 40 hours a week for 52 weeks a year. As a matter of fact, the average weekly working hours in the past 4 years has been less than 38. This is another example of the way the Cost of Living Council rationale chips away at BLS \$6,960 figure.

Only today the Cost of Living Council exempted from any controls 40 percent of the rental housing in the country and 75 percent of the retail establishments. Thus, broad areas of the economy are being decontrolled. It is absolutely unconscionable to put the heavy hand of wage controls upon the wages of the working poor. To do so would violate the express will of Congress. I again urge that the Cost of Living Council carry out the express intent of Congress and promulgate an exemption from wage controls for workers earning less than the BLS figure of \$6,960 per year.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PETTIS (at the request of Mr. GER-

ALD R. FORD), for the week of January 17 on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. SPENCE) and to revise and extend his remarks and include extraneous matter:)

Mr. HALPERN, for 5 minutes, today.

(The following Members (at the request of Mr. RUNNELS) and to revise and extend their remarks and include extraneous matter:)

Mr. THOMPSON of New Jersey, for 5 minutes, today.

Mr. GONZALEZ, for 10 minutes, today.

Mr. O'NEILL, for 5 minutes, today.

Mr. BURKE of Massachusetts, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MAHON and to include extraneous matter, tables and statistical data.

(The following Members (at the request of Mr. SPENCE) and to include extraneous matter:)

Mr. HOGAN in 10 instances.

Mr. SCHERLE in 10 instances.

Mr. ASHBROOK in three instances.

Mr. MCDADE.

Mr. DERWINSKI in three instances.

Mr. HALPERN in three instances.

Mr. MINSHALL.

Mr. BROOMFIELD in two instances.

Mr. SCHMITZ in three instances.

Mr. BROYHILL of Virginia in two instances.

Mrs. DWYER in five instances.

Mr. McCLORY in three instances.

Mr. DON H. CLAUSEN.

Mr. PETTIS.

Mr. ESCH.

Mr. SMITH of New York.

(The following Members (at the request of Mr. RUNNELS) and to include extraneous matter:)

Mr. ROSTENKOWSKI.

Mr. WALDIE in six instances.

Mr. BIAGGI.

Mrs. HICKS of Massachusetts.

Mr. MAZZOLI.

Mr. HAMILTON in two instances.

Mr. PICKLE in five instances.

Mr. MAHON.

Mr. CARNEY.

Mr. BURKE of Massachusetts.

Mr. RARICK in three instances.

Mrs. GRASSO in 10 instances.

Mr. GONZALEZ in three instances.

Mr. MILLER of California in five instances.

Mr. RODINO in two instances.

Mr. RYAN in three instances.

Mr. BRASCO.

Mr. HAGAN in three instances.

Mr. STEED in two instances.

Mr. ROGERS in five instances.

Mr. McKAY.

Mr. ROONEY of New York in two instances.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 382. An act to promote fair practices in the conduct of election campaigns for Federal political offices, and for other purposes.

ADJOURNMENT

Mr. RUNNELS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 27 minutes p.m.), under its previous order, the House adjourned until Monday, January 24, 1972, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1462. A letter from the Secretary of Agriculture, transmitting the Fiscal Year 1971 Annual Report of the Rural Electrification Administration; to the Committee on Agriculture.

1463. A letter from the Director of Civil Defense, Department of the Army, transmitting a quarterly report for the period ended December 31, 1971, on property acquisitions of emergency supplies and equipment, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

1464. A letter from the Deputy Chief of Legislative Affairs, Department of the Navy, transmitting certain petitions which were forwarded to the Secretary of the Navy for transmittal to the Congress; to the Committee on Foreign Affairs.

1465. A letter from the Assistant Secretary of Health, Education, and Welfare for Legislation, transmitting a report of the estimated cost of S. 1598, "The Health Rights Act of 1971"; to the Committee on Interstate and Foreign Commerce.

1466. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a report on positions in grades GS-16, GS-17, and GS-18 in the Immigration and Naturalization Service during 1971, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

1467. A letter from the Director, National Science Foundation, transmitting notice of a planned adjustment in the National Science Foundation fiscal year 1972 program for computing activities in education and research, pursuant to section 6 of Public Law 92-86; to the Committee on Science and Astronautics.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BARING: Committee on Interior and Insular Affairs. H.R. 1552. A bill to designate the Stratified Primitive Area as a part of the Washakie Wilderness, heretofore known as the South Absaroka Wilderness, Shoshone National Forest, in the State of Wyoming, and for other purposes; with amendments (Rept. No. 92-764). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARING: Committee on Interior and Insular Affairs. H.R. 3338. A bill to designate

the Pine Mountain Wilderness, Prescott and Tonto National Forests, in the State of Arizona; with amendments (Rept. No. 92-765). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARING: Committee on Interior and Insular Affairs. H.R. 3339. A bill to designate the Sycamore Canyon Wilderness, Coconino, Kalbub, and Prescott National Forest, State of Arizona; with amendments (Rept. No. 92-766). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLMER: Committee on Rules. House Resolution 761. Resolution authorizing the U.S. Capitol Historical Society to take pictures of the House while in session (Rept. No. 92-767). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 773. Resolution providing for the consideration of House Resolution 761. Resolution authorizing the U.S. Capitol Historical Society to take pictures of the House while in session (Rept. No. 92-768). Referred to the House Calendar.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 774. A resolution providing for the consideration of H.R. 6957. A bill to establish the Sawtooth National Recreation Area in the State of Idaho, to temporarily withdraw certain national forest land in the State of Idaho from the operation of the United States mining laws, and for other purposes (Rept. No. 92-769). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JONES of Alabama (for himself, Mr. HOLIFIELD, Mr. DORN, Mr. ANDERSON of Tennessee, Mr. TAYLOR, Mr. HUNT, Mr. DENHOLM, Mr. HOWARD, Mr. WHITTEN, Mr. ROBISON of New York, Mr. STRATTON, Mr. DANIELSON, Mr. GAIAMO, Mr. RODINO, Mr. BYRON, Mr. DAVIS of Georgia, Mr. DON H. CLAUSEN, Mr. DOW, Mr. GROVER, Mr. MOORHEAD, and Mrs. ABZUG):

H.R. 12510. A bill to change the name of the Columbia lock and dam, on the Chattahoochee River, Ala., to the George W. Andrews lock and dam; to the Committee on Public Works.

By Mr. ANDERSON of Tennessee: H.R. 12511. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLINS of Texas (for himself, Mr. FISHER, Mr. BOB WILSON, Mr. ANDERSON of Tennessee, Mr. ROBERTS, Mr. MANN, Mr. DOWDY, Mr. BLACKBURN, Mr. DERWINSKI, Mr. PETTIS, Mr. CAMP, Mr. BLANTON, Mr. PURCELL, Mr. LENNON, Mr. MELCHER, Mr. BUCHANAN, Mr. ARCHER, Mr. STEIGER of Arizona, and Mr. SHRIVER):

H.R. 12512. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. DELANEY: H.R. 12513. A bill to amend the Social Security Act to increase benefits and improve eligibility and computation methods under the OASDI program, to make improvements in the medicare, medicaid, and maternal and child health programs with emphasis on improvements in their operating effectiveness, and for other purposes; to the Committee on Ways and Means.

By Mr. DENT: H.R. 12514. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to pro-

vide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKINSON (for himself, Mr. MANN, Mr. PIRNIE, Mr. LANDGREBE, Mr. KEE, Mr. MONAGAN, Mr. ABERNETHY, Mr. HOSMER, Mr. MAZZOLI, Mr. REUSS, Mr. THOMSON of Wisconsin, Mr. HALEY, Mr. DEL CLAWSON, Mr. MURPHY of New York, Mr. COLLINS of Texas, Mr. SPRINGER, Mr. LENNON, Mr. MYERS, Mr. BOW, Mr. MORSE, Mr. KLUCZYNSKI, Mr. ROBINSON of Virginia, Mr. GARMATZ, and Mr. PICKLE):

H.R. 12515. A bill to provide that the Columbia lock and dam located at Columbia, Ala., shall hereafter be known as the George W. Andrews lock and dam; to the Committee on Public Works.

By Mr. DRINAN: H.R. 12516. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for adoption fees and related costs incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

By Mr. FAUNTROY (for himself and Mr. ASPIN):

H.R. 12517. A bill to authorize programs in the District of Columbia to combat and control the disease known as sickle cell anemia; to the Committee on the District of Columbia.

H.R. 12518. A bill to provide for the prevention of sickle cell anemia; to the Committee on Interstate and Foreign Commerce.

By Mr. FAUNTROY: H.R. 12519. A bill to provide financial assistance for States, District of Columbia, and local small, community-based correctional facilities; for the creation of innovative programs of vocational training, job placement, and on-the-job counseling; to develop specialized curriculums, the training of educational personnel and the funding of research and demonstration projects; to provide financial assistance to encourage the States to adopt special probation services; to establish a Federal Corrections Institute; and for other purposes; to the Committee on the Judiciary.

By Mr. FISH: H.R. 12520. A bill to amend title 10 of the United States Code to permit the appointment by the President of certain additional persons to the service academies; to the Committee on Armed Services.

H.R. 12521. A bill to amend section 112 of the Internal Revenue Code of 1954 to exclude from gross income the entire amount of the compensation of members of the Armed Forces of the United States and of civilian employees who are prisoners of war, missing in action, or in a detained status during the Vietnam conflict; to the Committee on Ways and Means.

By Mr. KAZEN: H.R. 12522. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. McCLOSKEY, Mr. ROSENTHAL, Mr. HALPERN, Mr. REES, Mr. DELUMS, and Mr. HELSTOSKI):

H.R. 12523. A bill to amend title 18, United States Code, to conditionally suspend the application of certain penal provisions of law; to the Committee on the Judiciary.

By Mr. QUILLEN: H.R. 12524. A bill to amend the Occupational Safety and Health Act of 1970 to require the Secretary of Labor to recognize the difference in hazards to employees between the heavy construction industry and the light residential construction industry; to the Committee on Education and Labor.

By Mr. ROE:

H.R. 12525. A bill to provide for greater and more efficient Federal financial assistance to certain large cities with a high incidence of crime, and for other purposes; to the Committee on the Judiciary.

By Mr. RONCALIO:

H.R. 12526. A bill to amend title 5, United States Code, to require the heads of the respective executive agencies to provide the Congress with advance notice of certain planned organizational and other changes or actions which would affect Federal civilian employment, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SCHMITZ:

H.R. 12527. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

By Mr. SEIBERLING:

H.R. 12528. A bill to strengthen and improve the Older Americans Act of 1965; to the Committee on Education and Labor.

By Mr. SIKES:

H.R. 12529. A bill to amend title 10, United States Code, to authorize the recomputation of retired pay of certain members and former members of the Armed Forces; to the Committee on Armed Services.

By Mr. TALCOTT:

H.R. 12530. A bill to strengthen and improve the private retirement system by establishing minimum standards for participation in and for vesting of benefits under pension and profit-sharing retirement plans, by allowing deductions to individuals for personal savings for retirement, and by increasing contribution limitations for self-employed individuals and shareholder-employees of electing small business corporations; to the Committee on Ways and Means.

By Mr. TERRY:

H.R. 12531. A bill to amend the Federal Salary Act of 1967, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. THOMPSON of New Jersey:

H.R. 12532. A bill to provide that employees of States and political subdivisions thereof shall be subject to the provisions of the Na-

tional Labor Relations Act; to the Committee on Education and Labor.

By Mr. THONE:

H.R. 12533. A bill to amend the Agriculture Act of 1970 to authorize the Secretary of Agriculture to make, for purposes of farm production history, appropriate adjustments in the per-acre yield of farms on which production has increased substantially as the result of the introduction of irrigation on such farms; to the Committee on Agriculture.

H.R. 12534. A bill to amend the Occupational Safety and Health Act of 1970 to exempt any nonmanufacturing business, or any business having 25 or less employees, in States having laws regulating safety in such businesses, from the Federal standards created under such act; to the Committee on Education and Labor.

By Mr. WHITEHURST:

H.R. 12535. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct expenses incurred in traveling outside the United States to obtain information concerning a member of his immediate family who is missing in action, or who is or may be held prisoner, in the Vietnam conflict, and for other purposes; to the Committee on Ways and Means.

By Mr. HALPERN:

H.J. Res. 1021. Joint resolution proposing an amendment to the Constitution of the United States relative to neighborhood schools; to the Committee on the Judiciary.

By Mr. MILLER of Ohio:

H.J. Res. 1022. Joint resolution proposing an amendment to the Constitution of the United States with respect to the attendance of Senators and Representatives at sessions of the Congress; to the Committee on the Judiciary.

By Mr. GUDE (for himself, Mr. BRAD-EMAS, Mr. COUGHLIN, Mr. ECKHARDT, Mr. EILBERG, Mr. HALPERN, Mr. KEITH, Mr. McCLOSKEY, Mr. MORSE, Mr. MOSHER, Mr. MOSS, Mr. PODELL, Mr. REID of New York, Mr. REUSS, Mr. ROBISON of New York, Mr. RYAN, Mr. SCHEUER, Mr. SEIBERLING, Mr. SMITH of New York, and Mr. SYMINGTON):
H. Con. Res. 503. Concurrent resolution

expressing the support of the Congress for the U.S. delegation to the United Nations Conference on the Human Environment; to the Committee on Foreign Affairs.

By Mr. GUDE:

H. Res. 770. Resolution to amend the Rules of the House of Representatives with respect to the membership of the Committee on the District of Columbia; to the Committee on Rules.

By Mr. KLUCZYNSKI:

H. Res. 771. Resolution to provide funds for expenses incurred by the Select Committee on the House Restaurant; to the Committee on House Administration.

By Mr. SCHMITZ:

H. Res. 772. Resolution expressing the sense of the House that the authority of the President to issue Executive orders should be investigated by appropriate committee or committees of the House; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEGICH:

H.R. 12536. A bill for the relief of Jerry J. McCutcheon, of Anchorage, Alaska; to the Committee on Interior and Insular Affairs.

By Mr. EDMONDSON:

H.R. 12537. A bill for the relief of Harold M. Toler; to the Committee on the Judiciary.

By Mr. ESCH:

H.R. 12538. A bill for the relief of Caterina and Giuseppe Furnari; to the Committee on the Judiciary.

By Mr. RONCALIO:

H.R. 12539. A bill to authorize the Secretary of the Interior to convey certain lands in the State of Wyoming; to the Committee on Interior and Insular Affairs.

By Mr. SCHMITZ:

H.R. 12540. A bill to authorize the placement of Cary W. Stevenson on the retired list in the grade of commander, U.S. Naval Reserve; to the Committee on Armed Services.

SENATE—Thursday, January 20, 1972

The Senate met at 11:30 a.m. and was called to order by the Vice President.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, who has made and preserved us a nation, we thank Thee for Thy continued favor to the United States, for the improvement of the general welfare, for diminishing conflict at home and abroad, and for the promise of peace.

Grant to the President Thy higher wisdom and strength in the exercise of his office and in the leadership of the Nation. Give us ears to hear, hearts to receive, and minds to comprehend what he says. Enable us also to hear what is not said—the siren call of conscience to selfless service—the unuttered longings of the people for a life of meaning and fulfillment, the aspirations of the soul for truth and goodness, and the undying hope for Thy kingdom on earth.

Bind us together in common endeavor for the better world that is yet to be. And may goodness and mercy follow us all our days that we may abide in Thee forever. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, January 19, 1972, be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

ATTENDANCE OF SENATORS

Hon. BILL BROCK, a Senator from the State of Tennessee, Hon. EDWARD W. BROOKE, a Senator from the State of Massachusetts, Hon. PETER H. DOMINICK, a Senator from the State of Colorado, Hon. JAMES O. EASTLAND, a Senator from the State of Mississippi, Hon. HIRAM L. FONG, a Senator from the State of Hawaii, Hon. HUBERT H. HUMPHREY, a Senator from the State of Minnesota, Hon. EDWARD M. KENNEDY, a Senator from the State of Massachusetts, Hon. RUSSELL B. LONG, a Senator from the State of Louisiana, Hon. JACK MILLER, a Senator from the State of Iowa, Hon. WALTER F. MONDALE, a Senator from the State of Minnesota, Hon. JAMES B. PEARSON, a Senator from the State of Kansas, and Hon. WILLIAM B. SAXBE, a Senator

from the State of Ohio, attended the session of the Senate today.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 382) entitled "An act to promote fair practices in the conduct of election campaigns for Federal political offices, and for other purposes."

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

RESCISSION OF ORDER FOR RECOGNITION OF SENATOR PACKWOOD

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the